

DAILY REPORT

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NAKASONE DEFENDS DEFENSE SPENDING INCREASE

OW310649 Tokyo KYODO in English 0635 GMT 31 Dec 86

[Text] Tokyo, Jan. 1 KYODO -- Prime Minister Yasuhiro Nakasone, defending a fiscal 1987 defense spending increase that will break the 1 percent of GNP barrier, said Japan is not reverting to the militarism, but aims only to improve its self-defense capabilities.

In an annual new year press conference, Nakasone assumed a defensive position, backing military spending, tax reform, medical cost hikes for the elderly and plans to construct costly bullet train shinkansen lines.

The 1 percent of gross national product (GNP) limit set on defense outlays by the cabinet of Prime Minister Takeo Miki 10 years ago is out of keeping with the times, said the prime minister, who lobbied long and hard for funds to bolster Japan's military capabilities.

The 3,517.4 billion yen defense budget approved by the cabinet Tuesday will raise military spending in fiscal 1987 to 1.004 percent of Japan's projected GNP the same year. Although the hike barely edges above this year's level of 0.993 percent, its significance lies in the fact that a political obstacle limiting defense spending has been removed.

The cabinet Tuesday decided to prepare new guidelines to regulate defense spending but will put off action until Nakasone returns from his January 10-17 visit to Europe.

In his address, Nakasone argued that current economic growth has dropped 10 percent since the boom period 20 years ago when expansion scored 13.3 percent. As a result, he said, it is no longer feasible to link defense to economic factors, particularly as Japan is expected to assume more responsibility for security under U.S.-Japanese defense agreements.

Nakasone indicated his trip to Europe in mid-January will be aimed at forging new diplomatic ties with the region. In his talks with leaders of Finland, Poland, East Germany and Yugoslavia, said Nakasone, he plans to lobby support for another meeting between the United States and the Soviet Union aimed at reducing the arms race.

On the issue of a visit to Japan by Soviet leader Mikhail Gorbachev, initially slated for the period which Nakasone will now fill in with the European tour, the prime minister reiterated that Moscow holds all the cards. He added he believes that Gorbachev, bogged down at the present by domestic concerns, is personally interested in visiting Tokyo. If he did come, added Nakasone, "(bilateral) relations would improve."

On the recent issue of tax reform, Nakasone declared that the average wage earner -- the Japanese "sarariman" -- will come out a winner in 1987. Since the proposed added sales tax on purchases is not scheduled for implementation until January 1988, middle class wage earners, who bear a comparatively heavy tax burden under the present system, will benefit from income tax cuts and lower consumer prices, Nakasone said.

Critics, however, have already labeled the tax reform plan, which will gradually be implemented over a three-year-period from 1987, as ineffectual in boosting sluggish domestic demand.

Concerning controversial government plans to privatize the Japanese National Railways (JNR) and increase outlays for medical expenses for the elderly in 1987, the prime minister would only comment that he wanted the "cooperation" of the people in reform planning.

Touching on the issue of his term of office, extended last October for an additional year, Nakasone said he is not considering an early resignation. "I want to continue to work with all of my ability," he said, adding, "I want to avoid disturbing the people or upsetting the reform process." After Nakasone altered ruling Liberal-Democratic Party rules to extend his stay in office beyond two terms (four years in total), speculation concerning his future plans has run rampant.

MIYAZAWA COMMENTS ON BUDGET, EXCHANGE RATE

OW301141 Tokyo KYODO in English 1039 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- Finance Minister Kiichi Miyazawa Tuesday implied that the current value of the dollar against the yen -- about 159 yen -- is too weak for the dollar. Emerging from a special cabinet meeting at which the government's fiscal 1987 budget was approved, Miyazawa told a press conference that he had suggested that the dollar should be much higher against the yen to U.S. Treasury Secretary James Baker when they talked in late October before they announced a joint statement on currency stability.

The dollar closed at 159.90 yen on October 30, but since the joint announcement was made on October 3, the dollar had moved in the narrow range of 161-164 yen.

Miyazawa's statement came when he was asked to comment on a recent surge of the yen against the dollar. The U.S. unit finished Tokyo trading at a two-month closing low of 159.20 yen Tuesday. He also said the U.S. trade deficit with Japan is most likely to start decreasing in half a year or a little later due to the yen's upswing against the dollar since last last year. Commenting on the likely effect of the 54.1 trillion yen budget, Miyazawa hinted that a plan to expand domestic demand embodied in the budget would not be sufficient to prop up the economy. "Next fiscal year will be a very difficult year and the economic condition will have to be watched carefully," he said. He added that the government has made an all-out effort to come up with a plan to boost domestic demand despite the constraints of fiscal reconstruction. Miyazawa says he "more or less" agrees with criticism from some quarters that the government cannot take drastic measures to expand the domestic economy while maintaining tight fiscal controls.

On projected defense spending, which was allowed for the first time to breach the decade-old government policy of holding military spending below 1 percent of the nation's gross national product (GNP), Miyazawa said he considers it important to come up with a new limit.

On a government policy to terminate budgetary dependency on deficit-covering bonds by fiscal 1990, which will be almost impossible under the new budget, Miyazawa said he thinks it difficult to achieve the goal but that the government should adhere to the target until it works out a substitute. "Without a target, it will be more difficult for the government to carry out its policy of fiscal reconstruction," he said.

KIM IL-SONG POLICY SPEECH TO SPA SESSION

SK310210 Pyongyang Domestic Service in Korean 0105 GMT 30 Dec 86

[Policy speech entitled "For the Complete Victory of Socialism" delivered by Kim Il-song, general secretary of the WPK Central Committee and DPRK president, at the second and last day of the First Session of the Eighth SPA held in Pyongyang on the morning of 30 December -- live]

[Text] Comrade deputies:

Today, our revolution is advancing powerfully down the road of socialist and communist construction under the banner of the Republic. Along with the victorious advance of our revolution, the people's support for and trust in the power of the Republic are increasing daily and the might of our Republic is being further enhanced. [applause]

Thanks to the high political self-awakening and revolutionary zeal of the people, including the working class, the elections of the deputies to the Eighth SPA of the DPRK were successfully held and the government has been organized anew. As a result, our people's government has been strengthened even further, the political and ideological unity of our people has become firmly united around the party, and the government of the Republic has been consolidated as firm as a rock. [applause]

The newly organized government of the Republic will carry out all work in conformity with the high confidence and expectations of the popular masses and will continue to fight vigorously for the happiness of our people, the prosperity and development of the fatherland, and the victory of the socialist and communist cause. [applause]

The power of our Republic is genuine people's power, which represents the struggle to defend the freedom and rights of the popular masses and consummate the chuche revolutionary cause, and a chuche-oriented revolutionary power. The immediate fighting task assigned to the government of the Republic at present in carrying out the chuche revolutionary cause is to achieve the complete victory of socialism in the northern half of the Republic and to realize the independent and peaceful reunification of the fatherland. The government of the Republic should brilliantly perform the honorable revolutionary tasks assigned to it by more powerfully accelerating the revolutionary struggle and construction work while upholding the chuche idea. [applause]

Comrades:

The cause of socialist and communist construction is a sacred cause designed to completely realize the independence of the popular masses. Realizing complete independence is the centuries-long desire of the popular masses and their supreme ideal. To materialize their long-cherished desire and ideal, the popular masses should reform the exploiting system of the old society in a revolutionary manner, advance along the road of socialism, and consummate the cause of socialist and communist construction to the end.

The road to socialism and communism is a historic path which should pass through many stages of development in the revolution. It takes a long time for the working class to proceed until it builds a communist society after taking power and embarking upon the road of socialism. It should carry out the multi-stage revolutionary tasks that primarily arise along this course.

From the initial period of the anti-Japanese revolutionary struggle, the Korean communists put forth early the fighting program to accomplish the cause of national liberation and build a socialist and communist society in the liberated fatherland and waged a steady struggle to realize it. [applause]

After liberating the fatherland, we eradicated the colonial ruling organs of the Japanese imperialists without delay, established the people's government, and based on this, thoroughly carried out the anti-imperialist and antifeudalistic democratic revolution, thereby establishing the people's democratic system in the northern half.

Based on socialist reforms achieved through the anti-imperialist and antifeudalistic democratic revolution, our party has strengthened and developed the people's government into a socialist regime which carries out a (?plan) for proletarian dictatorship in conformity with the demands of the developing revolution. This has served as a historic turning point in the march toward socialism in our country. Since that time, our people have embarked upon the road of carrying out the duties in the transitional period from capitalism to socialism. [applause]

The cause of socialist construction, which begins with the establishment of a socialist regime, attains victory and is consummated during the period of transition from capitalism to socialism. The period of transition from capitalism to socialism is a period during which an acute class struggle between capitalism and socialism proceeds, and a period for historic reform during which the construction of a socialist society is completed by remaking man, society, and nature in conformity with the aspirations and demands of the working class. The historic duties of the transitional period are to completely win victory over capitalism in all sectors of social life, to remove all class antagonisms and difference, and to realize a society without any class. With power the popular masses should certainly carry out the historic duties of the transitional period to complete the shift to socialism. The primary task to be carried out during the period of transition from capitalism to socialism is to eradicate the exploiting system and establish a socialist system by remodeling time-worn production relations in a socialist manner.

Proceeding from our country's concrete reality in which the revolution of democracy won victory, our party and the people's government set forth the original line of socialist revolution and brilliantly implemented it, thus establishing an advanced socialist system in the northern half of the Republic. Victory in the socialist revolution and the establishment of the socialist system were great historic events which brought about a drastic change in the social status and role of our people. [applause]

Our party and the government of the Republic advanced to attain the complete victory of socialism after successfully carrying out the socialist revolution as a strategic goal of the transitional period and have vigorously pushed ahead with socialist construction. Attaining the complete victory of socialism is an inevitable demand of socialist and communist construction and a historic task that should be carried out during the period of transition from capitalism to socialism.

The establishment of a socialist system becomes a historic turn over the course of social development during which capitalism is shifted to socialism, but does not mean the complete victory of socialism. Neither does the establishment of a socialist system indicate the completion of shifting to socialism. Even after a social system has been established, much ideological, technological, and cultural backwardness remains. Because of this, gaps between the urban and rural areas, class differences between the working class and the peasantry, and other various kinds of differences remain; the material and technological foundations of this social system are weaker than an advanced social system; and the material and cultural life of workers does not reach a proper level.

After the socialist system is established, the exploiting class of society does not exist, but corrosion by old ideas and ideological and cultural infiltration by hostile outside forces that oppose the socialist system and their subversive and sabotage activities continue. Such a society in which a social system has been established, but socialist construction has not been completed, and in which the exploiting system has been eradicated, but the danger of the reconstruction of capitalism remains, cannot be called a socialist society that has attained complete victory.

A society that has won complete victory is a perfected socialist society in which the entire society has been working class-oriented and all people enjoy an independent and creative life as the equal masters of state and society. [applause]

A socialist society which has attained a complete victory is a society where there is no class, and a developed society in which the perfect social and political equality of all social members and an affluent material and cultural life are guaranteed. In terms of social development, a socialist society that has attained complete victory is a society in which the period of transition from capitalism to socialism has come to an end and the [word indistinct] stage of communism has been completely realized, and a society that gradually shifts to the high stage of communism. [applause]

The complete victory of socialism is another epochal event in the struggle to realize the independence of the popular masses and an important landmark on the path of socialist and communist construction. [applause]

Of course, the complete victory of socialism does not mean instantly shifting to the higher stage of communism. When socialism wins complete victory, class differences disappear, but the gaps between mental and physical labor and to a certain degree, the gaps between the levels of material life still remain, and the productivity of society does not reach a high level in which distribution according to demand is realized. To completely overcome the transitional nature of socialist society and shift to the higher stage of communism, we cannot but pass through the historic stage of perfecting communist construction by consolidating and developing a socialist society that has attained complete victory. Achieving the complete victory of socialism by passing through the transition period from capitalism to socialism, and shifting to the higher stage of communism through a completely socialist society are the inevitable path of socialist and communist construction. [applause]

Attaining the complete victory of socialism is rising as the realistic demand of socialist construction in our country. It has been almost 30 years since our people won victory in the socialist revolution and embarked upon the road of comprehensively carrying out the task of winning the complete victory of socialism. Over this period, our people have achieved great advances in the struggle for the complete victory of socialism. [applause]

Thanks to the correct lines in the socialist construction of our party and the government of the Republic and their correct leadership, the task of socialism industrialization has been brilliantly performed over a short period of historical time and a solid basis for the self-reliant national economy has been laid. The material and technological foundations of the self-reliant socialist national economy which was built, have been enhanced over the course of our implementing various plans to develop the national economy and the structures of its fields have been further completed.

In recent years, our people have successfully carried out the Second 7-Year Plan. As a result of the implementation of the Second 7-Year Plan, all sectors of the national economy have been equipped with modern technology and the economic might of the country has been strengthened even further. [applause]

We have also attained great success in the work to remodel man by powerfully carrying out the ideological and cultural revolutions. The legacies of the backward old ideas and culture handed down to our society from history are an extremely partial element. Everyone is being excellently prepared to be a communist-type person who possesses the advanced ideas of the working class and a high level of technology and culture and who is developed in overall aspects. These qualities of men, the masters of society, show the high level of our society's development and indicate that basic conditions for the complete victory of socialism are being created. [applause]

Our country's socialist system has been further consolidated and developed bases on the brilliant successes attained in socialist economic construction and the work of remolding man. Today's socialist system in our country is the most superior social system and guarantees the entire population genuine political freedom, democratic rights, and a happy material and cultural life.

All the people in the country are firmly united around our party and the government of the Republic, being of one mind and will. The society is filled with a collectivist spirit of life of mutual help.

Lying in the fact that all the people in the country, who form the strong chucne of the revolution in which our party and the popular masses are firmly united, have boundless confidence in the party and the government of the Republic is a strong guarantee for the solidarity of the socialist system in our country and a decisive factor in the victory of the socialist and communist cause of our country. [applause]

All these successes attained during the struggle to remold man, society, and nature show that we are fast approaching the turning point of the complete victory of socialism. [applause]

Indeed, the Korean revolution, which was pioneered by our communists, has advanced further. However, we have still more to do in the fields of remodeling man, remodeling society, and remaking nature to achieve the complete success of socialism.

We should accelerate further the struggle to achieve the complete victory of socialism according to the long-standing demands of the developing revolution and our people's class aspirations. [applause]

Comrades:

The key to achieving the complete victory of socialism is to remodel man and social relations on the pattern of the working class so as to eliminate class differences and to realize a classless society.

Socialism by definition means a society of the working class. A socialist society that has been perfected and fully shaped is one in which every sector is governed by the working class, that is to say, a classless society in which all the people are governed by the working class and all social relations have been remodeled on the pattern of the working class. [applause]

Rooting out class confrontation and class differences and eliminating the class itself is a fundamental approach toward realizing the independence of the people. Born together with the class were relations of domination and subjugation among the people and, therefore, the struggle for the cause of independence is also a struggle for class liberation.

However, never has any class over the past historic period been able to (?use) the slogan of eliminating classes. Only the working class has advanced down the road of building the classless society under the slogan of eliminating the classes from the day it appeared on the historical stage.

The elimination of classes and the realization of a classless society are the historic tasks the working class has set for itself, as well as the major goals of socialist and communist construction. [applause]

The socialist revolution represents a major turning point in the struggle of the working class designed to eliminate the classes. As the exploiting class is liquidated by the socialist revolution, the sources of social complaints and class confrontation will disappear and only the working class and cooperative farmers will remain in the socialist society as classes.

This being the case, the issue of eliminating classes in a socialist society becomes an issue of eliminating class differences between the working class and the peasants by solving issues that concern the rural community. Only when this issue is solved will the historic task of eliminating the classes finally be completed and a classless society realized.

Since there is a class difference between the working class and peasantry in a socialist society, many differences in social life and nonworking class-type social relations partially remain. Therefore, removing class differences between the working class and the peasantry is emerging as the central task in remodeling socialist society in the period after the socialist system has been established. To remove class differences between the working class and the peasantry, there must be monolithic domination over the means of production by all-people ownership by turning cooperative ownership into all-people ownership. [applause]

Ownership of the means of production is a basic factor that regulates the classes. Two classes -- the working class and the peasantry -- exist in a socialist society because the two forms of socialist ownership -- all-people ownership and cooperative ownership -- exist. Only when monolithic domination over the means of production by all-people ownership is firmly established by turning cooperative ownership into all-people ownership can the working class orientation of the peasantry be realized, and, thus, class differences between the working class and the peasantry be removed.

Turning cooperative ownership into all-people ownership is the inevitable demand in the development of a socialist society. Socialism is based on collectivism. Both cooperative ownership and all-people ownership are socialist ownership which constitutes the economic basis of our society. Collectivism demands that all social relations, including relations of ownership, be constantly developed in conformity with the common interests and demands of the entire society. Cooperative ownership, a low form of socialist ownership, should be developed as the level of society is elevated and, finally, should be turned into all-people ownership, a high form of socialist ownership.

Ownership resulting from all workers included in the single economic system everybody working and turning cooperative ownership into all-people ownership, the communist principle -- one for all and all for one -- can be smoothly embodied. [applause]

We should consolidate and develop cooperative ownership in conformity with the inevitable demands of development of socialist society and turn it into all-people ownership. The existence of cooperative ownership along with all-people ownership in a socialist society is connected with the fact that the level of the ideological consciousness, technology, and culture of the peasantry is lower than that of the working class and the material and technological foundation of agriculture is weaker than that of industry. Therefore, a basic way to turn cooperative ownership into all-people ownership lies in removing ideological, technological, and cultural backwardness in the rural areas. Our party's thesis on questions concerning socialist rural villages should be thoroughly implemented to remove ideological, technological, and cultural backwardness in the rural areas and to turn cooperative ownership into all-people ownership. [applause]

The thesis on questions concerning socialist rural villages is our party's fighting program for ultimately solving rural problems and attaining the complete victory of socialism by consolidating and developing cooperative ownership and by turning it into all-people ownership. [applause]

We should, above all, rapidly elevate the level of the ideological consciousness, technology, and culture of the peasantry by actively accelerating the ideological and cultural revolutions according to the principles of the thesis on questions concerning socialist rural villages.

The ideological consciousness of workers very importantly affects the development of ownership relations. We should strengthen ideological indoctrination work and organizational life among the peasants and constantly discipline them through joint labor and collective life, thus helping them to treasure the interests of society and the state more than their individual interests and helping them to sincerely work for society, the collectives, the fatherland, and the people with high-level awakened consciousness of the fact that they are the masters of the revolution and construction.

The rural economy, which is being developed in a modern way, demands that the level of the peasants' technology and culture be raised decisively.

We should train the growing new generation as credible and able workers for the construction of the socialist rural community according to the demands of the developing present era, while at the same time making all the peasants skillfully handle modern farm machinery and arm themselves with profound knowledge and technology to enable them to do farming scientifically and technically by strengthening the education of adults and the work of popularizing scientific and technical knowledge.

We should also industrialize agriculture by vigorously accelerating the technical revolution in the countryside. Industrializing agriculture means turning agricultural production into a modern technical process by realizing the introduction of irrigation, electrification, (?industrialization), and (?chemicalization) into the rural community.

When agriculture is industrialized, agricultural production can be rapidly increased by developing the rural economy into a large-scale economy based on (modern machinery and technology), the difference between agricultural labor and industrial labor can be eliminated, and the peasants can be liberated from hard labor.

Under circumstances in which the introduction of irrigation and electrification into the rural economy has already been realized, we should produce a large quantity of modern farming equipment of various types, such as tractors and harvesters, to send it to the rural community based on a program, while consolidating the successes attained over the course of introducing irrigation and electrification to the rural community.

We should also produce still greater amounts of high quality chemical fertilizer and insecticides of various types suitable for the soil conditions and characteristics of the crops, to send them to the rural community and should put agricultural production on a high scientific foundation by actively introducing advanced farming technology, farming methods, and modern agricultural science.

To transform cooperative property into all-people property, we should combine the two organically by continuing to enhance the leading role of the latter in relation to the former. What is important in their organic combination is to strengthen the direct production ties between the two. The direct production ties between cooperative property and all-people property is to be realized by the state (?enterprises) that directly serve the rural economy.

We should see to it that the role of the material and technical means of all-people property in (?agricultural production) is raised without interruption by further strengthening [word indistinct] and state enterprises that serve the rural economy, including farming equipment workshops and irrigation stations, in terms of material and technology. [applause]

Another important problem in transforming cooperative property into all-people property is to constantly improve the direction and management of cooperative agriculture. Economic relations are closely connected to property relations and these relations have great influence over the change and development of property relations. Without improving the leadership and management over the agricultural cooperative economy, it is impossible to promote the transformation of cooperative property into all-people property.

Today's reality, in which the level of technology and equipment of the agricultural cooperative economy has been raised and agricultural production is being daily modernized, requires that technical guidance over agricultural production be further strengthened and that all management activities be thoroughly subjected to planning and be organized. We should further strengthen agricultural leadership bodies and enhance their functions and roles so as to give full play to the superiority of the chuche-oriented system of agricultural guidance, thereby decisively improving the industrial method of guiding cooperative agriculture. [applause]

In particular, we should see to it that technical guidance for agricultural production be carried out well so as to make it function according to the demands of the chuche oriented farming methods and that the material and technical assistance from the state to the cooperative economy be realized smoothly by raising the role of the county committees running cooperative farms that guide the cooperative farms on the spot.

When cooperative property is transformed into all-people property as a result of a thorough implementation of our party's thesis on issues concerning the socialist rural community in our country, the difference between the working class and peasants will disappear and, based on this, all social relations will be remolded to completely serve the working class. [applause]

Comrades, pressing ahead with socialist economic construction is an important task in achieving the complete victory of socialism. Socialist economic construction is the rewarding struggle to provide the popular masses with independent and creative living conditions by conquering nature, as well as a sacred struggle to strengthen the socialist material and technical foundation and to occupy the communist material fortress. [applause]

Only when economic construction is carried out well can socialist and communist construction be completed and the independence of the popular masses be perfectly realized. The socialist system established through the socialist revolution can be constantly consolidated and developed and its superiority and might can be fully displayed only on the basis of material and technological foundations that correspond to the system. Only when the material and technological foundations of socialism are firmly built by carrying out economic construction well and the workers who have been liberated from exploitation and oppression enjoy independent political life and affluent material and cultural life to their hearts' content can the socialist system become genuinely mighty and consolidated and the complete victory of socialism be achieved. [applause]

Such a country as ours which had not experienced the industrial revolution, but waged the socialist revolution in a state of economic backwardness in the past, should concentrate particularly great efforts on economic construction after the socialist system is established. Vigorously pushing ahead with socialist economic construction is an important function of a socialist state. A socialist state's function of being an economic organizer comes to the fore as a more important question as socialist and communist construction advances further. Whether or not the complete victory of socialism is achieved early in conformity with the demands of our developing revolution and the aspirations of our people largely depends on how we carry out economic construction. We should secure solid material and technological foundations, which complete a socialist society, by accelerating socialist economic construction. [applause]

A goal which we should attain in the field of economic construction to achieve the complete victory of socialism is to build a chuche-oriented economy, all fields of which are modernized to a high degree and the structures of the fields of which are perfected.

We should liberate the workers from hard and arduous labor and smoothly solve, at a high level, problems concerning the people's food, clothing, and housing by industrializing agriculture and by even further elevating the level of overall technical provisions for the national economy. [applause]

To attain these goals for socialist economic construction, the government of the Republic should continue to firmly adhere to the lines of construction of the self-reliant socialist national economy and more powerfully accelerate the chuche-orientation, modernization, and science-orientation of the people's economy. [applause]

A major task that arises in socialist economic construction at present is to successfully carry out the Third 7-Year Plan. We are to execute the Third 7-Year Plan, beginning next year. A basic task of the Third 7-Year Plan is to firmly lay material and technological foundations for the complete victory of socialism by continuously vigorously accelerating the chuche-orientation, modernization, and science-orientation of the national economy. [applause]

During the period of the Third 7-Year Plan, we should even further strengthen the self-reliance of the national economy, firmly equip all fields of the national economy, including industry and the rural economy, with modern technology, and promote production at a high rate of speed. During the period of the new plan, we should realize the 10 major prospective goals for socialist economic construction set forth at the sixth party congress and increase the total industrial output 1.9 times and agricultural production over 1.4 times at least. [applause]

All guiding functionaries and workers should effect new upsurges in socialist economic construction by turning out as one in the struggle to fulfill the Third 7-Year Plan. [applause]

The most important question in carrying out the Third 7-Year Plan is to powerfully accelerate the work of remodeling the technology of the national economy by developing science and technology and by strengthening the campaign for technical innovations. Today, science and technology are developing at a very high speed and are decisively affecting economic development. There is no limit to the development of science and technology, the outcome of man's creative wisdom. Also, science and technology provide endless possibilities for man to conquer nature and dominate the world. Achieving a high growth rate in production on the basis of highly developed science and technology is the tenor of the development of the world's economy at present. The reality of our country's socialist economic construction more urgently demands that science and technology be developed more rapidly. Without rapid scientific and technological development and bold and active technical innovation, the grand tasks of the new prospective plan cannot be carried out, nor can the economy of our country be elevated onto a new high stage. By concentrating great efforts on developing science and technology, we should smoothly solve many scientific and technological problems arising in socialist construction and elevate the level of our country's science and technology onto that of the world. [applause]

We should correctly map out a plan for scientific and technological development in conformity with the prospective plan for our country's socialist construction, realistic demands, and the trends of the world's scientific and technological development, and actively organize and mobilize the creativity of scientists, engineers, and a broad range of workers in realizing the plan.

We should establish a correct viewpoint on science and technology among the guiding functionaries, decisively improve the guidance of the party and government over scientific work and the campaign for technical innovations, and decisively better supply work. An important goal for scientific and technological development in our country at present is to realize the overall technical innovation of the national economy. (?Low-level) and backward equipment in all fields of the national economy should be remodeled in a modern manner, and production processes should be mechanized, automated, and made robot-oriented and computer-oriented. During the period of the new prospective plan, we should concentrate great efforts on developing the machine industry, microelectronic industry, and robot industry to firmly solidify production foundations in this field in a short period of time, and smoothly guarantee the production of many kinds of modern elements and devices needed for the technological reformation of the national economy.

We should decisively increase production capabilities in the field of key industries to successfully carry out the Third 7-Year Plan. The Third 7-Year plan is a grand program that envisaged a high rate of growth in production. Important targets in the field of key industries, including the industries of electricity, coal, steel, and nonferrous metal -- goals envisaged in the new prospective plan -- are high targets that can be reached only when production capabilities are increased even further than now. Only when these goals are attained can the sectors of the national economy successfully fulfill the prospective plan. During the period of the new prospective plan, the field of key industries should remodel equipment in the existing plants and enterprises with more efficient and precise modern equipment, maximize production capabilities, and build many new modern plants and enterprises.

Epochally improving the people's standard of living is one of the most important asks which we should carry out during the period of the Third 7-Year Plan. During the period of the new prospective plan, we should elevate the people's overall standard of living a step higher by smoothly solving the problem concerning the people's food, clothing, and housing. [applause]

The construction of a series of important establishments -- including the reclamation of nearly 300,000 chongbo of tideland, the construction of the Suncheon vinylon complex with a 100,000-ton production capacity, and the large-scale Sariwon potash fertilizer plant -- is vigorously underway in accordance with our party's far-sighted plan. The construction of important establishments, which is ongoing under the party's conception and initiative, is a bold blueprint designed to enhance the economic might of the country and particularly to smoothly solve problems concerning the people's food, housing, and clothing, and is a very important and rewarding work for the happy future of our people. [applause]

We should concentrate all efforts on completing the construction of important establishments at an earlier date. The soldiers of the People's Army and construction workers who are assigned the construction of important establishments should unreservedly give play to high devotion and creativity in the rewarding struggle for the prosperity of the country and the happy life of the people. [applause]

Many fields of the national economy should preferentially and timely supply equipment and materials demanded in construction, and the entire party, the whole country, and all people should dynamically support the construction of important establishments. [applause]

Economic guidance and enterprise management should be decisively improved to successfully carry out the Third 7-Year Plan. We should firmly defend and safeguard the original chuche-oriented socialist economic management system created by our party in economic guidance and enterprise management and thoroughly implement it, thus fully manifesting its vitality in socialist construction. [applause]

The fields of the national economy should thoroughly implement the Tae'an work system. All plants and enterprises should powerfully arouse the revolutionary zeal and creativity of the producing masses in the struggle to carry out the prospective plan by planning and coordinating economic organizational work under the collective guidance of party committees and by giving priority to political work as demanded by the Tae'an work system. [applause]

Economic guidance and enterprise management should be science-oriented and rationalized in conformity with the realistic demands of socialist construction. The socialist economy constantly develops, and the new reality of economic development demands that economic guidance and enterprise management be improved in compliance with the demands of this reality. All fields of the national economy should conduct management activities in a scientific manner on the basis of correct plans, calculations, and statistics and rationalize enterprise management by correctly using many economic means in conformity with the transitional nature of socialist society. All guiding functionaries and workers should brilliantly carry out the Third 7-Year Plan by devotedly struggling with endless loyalty to the party and revolution with high revolutionary passion, thus displaying the might and honor of chuche Korea once again. [applause]

Comrades, the people's power should be enhanced and its function and role should be increased to achieve the complete victory of socialism. The people's power is the genuine defender of our people's independent rights and a strong weapon for socialist and communist construction. [applause]

Only under people's power can the popular working masses fully promote genuine freedom and rights as the masters of the state and society, enjoy an affluent and happy life to their heart's content, and successfully push ahead with the struggle for the complete victory of socialism. The struggle for the complete victory of socialism is a difficult and complicated struggle to remodel and reform man, society, and nature, and is being waged amid a constant class struggle.

Only when the function and role of the people's power are increased by strengthening it can a broad range of the masses be firmly united with one political force, their creativity be powerfully organized and mobilized in the struggle for the complete victory of socialism, and the socialist system be firmly defended. We should enhance the function and role of people's power in an all-round manner in the struggle for the complete victory of socialism by further improving and strengthening the work of the people's power organs. [applause]

The government of the Republic should thoroughly implement our party's lines of the three revolutions, constantly upholding the banner of the three revolutions -- ideological, technological, and cultural. [applause]

The struggle for complete victory of socialism is a course of serious and grand social reforms, in which the legacies of the old society remaining in socialist society are removed and the whole society is made uniform with the ideas, technology, and culture of the working class. It is successfully carried out only through ideological, technological, and cultural revolutions.

The three revolutions -- ideological, technological, and cultural -- are the highest-level revolutions to completely realize the independence of the popular masses by perfecting socialist and communist construction. Only when the ideological, technological, and cultural revolutions are thoroughly implemented by increasing the function and role of people's power can the cause of the independence of the popular masses and the cause of socialist and communist construction be consummated. The banner of people's power and the three revolutions are precisely a banner of independence and a banner of socialism and communism. [applause]

Under the party's leadership, the people's power organs should vigorously carry out the ideological, technological, and cultural revolutions while firmly adhering to the line of the three revolutions. As bodies executing the party's lines of the three revolutions, the people's power organs should make all their activities directed at successfully performing the three revolutions -- ideological, technological, and cultural -- and carry out well the work of organizing production and the work of (?guaranteeing materials and technology) in conformity with the mounting enthusiasm of the workers who have turned out to realize the three revolutions.

The government of the Republic and the power organs at all levels should thoroughly implement the class line and the mass line in their activities. People's power is, in essence, a revolutionary regime of the working class. Only when the class line is implemented in the activities of the people's power organs can the working class-oriented nature of the people's power be defended and the people's power smoothly perform its honorable mission as a revolutionary regime of the working class. [applause]

The leadership role of the working class should be constantly enhanced in all fields of state activities, the working class-oriented principle firmly maintained, and all policies enforced in compliance with the class interests of the working class. Everything concerning state and social life should meet the aspirations and demands of the working class, and the ethos of a healthy working class-oriented life should dominate the whole society.

The people's power should guard against the infiltration of the ideological poison of capitalism and revisionism into our society and resolutely struggle against all maneuvers to encroach upon the socialist system. [applause]

A socialist and communist society is one for the sake of all people, and can be built only in reliance upon the creative role of a wide range of the popular masses. The interests of the popular masses should be actively defended and their creativity should be organized and mobilized to the maximum to successfully build a socialist and communist society. To this end, the revolutionary mass line should be implemented in the activities of people's power. [applause]

Defending the interests of the people and faithfully serving the people are a basic demand of the mass line. Our functionaries should not become bureaucrats who yell at and rule over the people, but the people's genuinely faithful servants who serve them, and sincere functionaries who demonstrate action. The functionaries of the people's organs should organize and carry out all work on the principle of giving top priority to the interests of the people and of thoroughly defending them and thoroughly guarantee the rights and interests of the people, stipulated in the law, in all fields of social life. The functionaries should always pay deep attention to the people's life, timely meet their demands and settle their difficulties, and make active efforts to provide conditions for the happier life of the people. [applause]

The people's government should establish a revolutionary system and order in the state and social life and run the state economy by uniformly grasping it. Establishing a revolutionary system and order in all fields of the state and social life and acting in discipline and order by all members of society is an inherent demand of socialist society, an organized society. In the absence of a revolutionary system and order in socialist society, it is impossible for men to realize their organized, joint acts in a smooth way, and there could arise disorderly and negative phenomenon in society.

In order to establish a revolutionary system and order in our society, it is imperative to strengthen socialist law-abiding life. Laws in a socialist society are codes of conduct that all members of society should dutifully observe as well as a basic instrument for the people's government to realize its own (?politics).

The people's government should thoroughly establish a revolutionary law-abiding spirit in society and should see to it that all the working people sincerely observe the laws of the Republic by strengthening the socialist law-abiding spirit. [applause]

It is very important to strengthen state and administrative discipline when it comes to establishing a revolutionary system and order in the society. The people's organs or power should establish an orderly work system of uniformly grasping and guiding the state and social life as a whole and stringent discipline in all sectors and units of unconditionally accepting decisions and instructions of the party and state and then of implementing them thoroughly.

It should also be seen to that all functionaries and working people act according to disciplinary codes and order and the organizational and disciplinary nature of society be further strengthened in accordance with the development of the revolution and construction onto a high stage by further making the state and social life more organized. [applause]

Uniformly grasping and running all the state economy is a major duty of the people's government. Only when the people's government uniformly runs the state can it reasonably mobilize and utilize all resources and potentials and push ahead with the work designed to improve economic construction and the people's standard of living on a program. The people's government should grasp uniformly all labor resources and natural resources and reasonably organize production, distribution, accumulation, and consumption. The people's organs of power at all levels should uniformly grasp economic construction, cultural construction, and the work of serving the people within the boundary of their enterprises and units concerned and organize and guide them well according to the state demands and in the interests of the people.

Our party and people have expressed their deep confidence in the people's organs of power and functionaries and have assigned heavy responsibilities to them. Functionaries in the people's organs of power should responsibly do their work in the manner of a master in order to pay back the high trust of the party and people in them.

All functionaries should fulfill their honorable mission as the commanding members of the revolution as well as faithful public servants by responsibly discharging revolutionary tasks assigned to them with high loyalty to the party and revolution and a practical spirit of serving the people. [applause]

Comrades: Achieving the independent and peaceful reunification of the country is the most urgent national task facing the government of the Republic. [applause]

The question of our country's reunification is an important question concerning the fate of the Korean people. Without reunifying the fatherland, all the fellow countrymen will not be able to extricate themselves from the sufferings and disaster caused by national division, nor is it possible to achieve the uniform development of the country and national prosperity. Reunification of the fatherland is the unanimous aspiration of our people, who have lived as an ethnic people for a long time. [applause]

The situation prevailing on the Korean peninsula, where the danger of a new war and perpetual national division are growing by the day, requires that the question of national reunification be solved at an early date more urgently than at any previous time.

We should do our best to expedite the realization of national reunification ahead in accordance with the national demand and the situation on the Korean peninsula.
[applause]

In solving the question of national reunification, the government of our Republic firmly adheres to the three principles of independence, peaceful reunification, and great national unity. The three principles of independence, peaceful reunification, and great national unity are the fundamental principles for national reunification, which the government of our Republic has consistently maintained, as well as the common national principle of reunification representing the will of the entire Korean people.
[applause]

Only when it is based on the three principles of national reunification can reunification of the country be achieved on the principle of independence and democracy without interference from outside forces, and by peaceful means.

The most pressing problems arising in realizing the independent and peaceful reunification of the country at present is to ease tension created on the Korean peninsula, to guarantee lasting peace there, and to create conditions favorable to peaceful reunification. The government of the Republic has made every possible effort to create the prerequisites for relaxation of the prevailing tension and for the independent and peaceful reunification of the country.

At the beginning of 1980 we already put forward a proposal for holding tripartite talks in which we, the United States, and South Korea would participate as a fundamental measure to guarantee peace on the Korean peninsula, for replacing the Korean armistice agreement with a peace agreement through the talks, and then adopting a declaration of nonaggression between the North and South. In rapid succession, we have provided contacts and dialogue of a wide magnitude between the North and South after putting forward initiatives for North-South dialogues of various forms.

In 1986 alone we took the initiative in taking measures not to conduct military exercises in order to ease tension, and then put forward new proposals for holding talks between those who hold real military authority and for turning the Korean peninsula into a nuclear-free, peace zone. However, the United States and the South Korean authorities, ignoring our peaceful efforts, have followed the course of further exacerbating tension, while continuously pursuing the lines of confrontation and war.

Unprecedentedly large-scale anticommunist commotions against the Republic are being kicked off in South Korea, and because of this the political confrontation between North and South has become extremely acute. Not content with slandering us, the persons in authority in South Korea are now engaged in a commotion of fomenting among the South Korean people distrust and hostility toward us by even fabricating illogical falsities about us. The persons in authority in South Korea are harshly suppressing the South Korean youths, students, and people, who are engaged in the anti-U.S. struggle for independence, by linking them to us.

The anti-U.S. struggle of the South Korean youths, students, and people is a righteous patriotic struggle to firmly establish national sovereignty in South Korea and realize the independent and peaceful reunification of the country. Linking the struggle of the South Korean youths, students, and people to us is a far-fetched absurdity that can convince no one, and suppressing them by branding them as procommunist elements is an antipopular and antinational maneuver perpetrated under the slogan of anticommunism.

Anticommunism is an ideological weapon of the imperialists to invade other countries and divide and rule them. When one is infected with anticommunism, one loses (?independence), and cannot discern patriotism from treachery and defend national independence and interests. Anticommunism is the ideology of confrontation and division, which opposes national unity and cohesion and rejects peace, and the ideology of war. It is not accidental that today the anticommunist-oriented state policy is being taken issue with, and voices asserting a reunification-oriented state policy are echoing even in the South Korean National Assembly.

Today, the state of military tension is being further aggravated on the Korean peninsula. The United States has recently rapidly augmented its armed forces in South Korea, particularly emphasizing the military and strategic position of South Korea, and has turned the whole land of South Korea into a nuclear base by drastically introducing nuclear weapons into South Korea. Lance missiles and many other kinds of nuclear delivery means are being successively dragged in, and large-scale nuclear storehouses are being built anew in South Korea, where some 1,000 nuclear weapons have already been deployed. Furthermore, what we cannot but pay attention to is that, along with the United States, the South Korean persons in authority constantly place the frontal and rear areas under the state of mobilization, waging the provocative "Team Spirit" joint military exercises to perfect nuclear war preparations on a large scale every year and inciting war. This ominous situation, which can be observed only on the eve of war, shows that they can provoke a war at any moment. This cannot but arouse our due alertness.

The more they intensify war preparation maneuvers, the more loudly the South Korean persons in authority rave about the threat of southward invasion. They have recently spread groundless rumors, saying that we have worked out a plan for southward invasion prior to the 1988 Olympic Games, and that our construction of the Kungangsan power plant is aimed at flooding operations. Not once or twice have we declared our intention of not invading the South. This stance which the government of the Republic has officially expressed is clearly guaranteed by our numerous peace proposals, and its truth has been confirmed by historical facts over the past decades. [applause]

The construction of the Kungangsan power plant is thoroughly peaceful construction initiated by our prospective program for socialist economic construction. There are no grounds on which the South Korean people should feel threatened by this construction. There is no foolish one among us who would try to undertake such construction, which demands a huge amount of investment, for flooding operations. Also, there is no one who wants the South Korean people to suffer from disaster. The South Korean persons in authority should not abuse our construction of the Kungangsan power plant, but pay proper attention to the withdrawal of nuclear weapons, whose number is sufficient to annihilate the whole Korean nation, from South Korea. We do not want the nation, from South Korea. We do not want the annihilation of our nation, nor can we tolerate the turning of the fatherland into a site for a nuclear war by the United States.

Proceeding from this stand, we obviously make clear once again that we have no intention of invading the South and strongly demand that the Korean peninsula be turned into a nuclear-free, peace zone without nuclear weapons and the danger of war at an early date. [applause]

The situation of acute confrontation prevailing on the Korean peninsula at present is arousing great apprehension among the Korean people, aspiring for national reunification, and the world's people, seeking peace. Should today's situation of acute confrontation continue as it is, distrust between the North and South will be greater; confrontation will be aggravated with each passing day; and, in the end, a situation of the outbreak of another war will take place. If a war breaks out in Korea, it will expand into a worldwide thermonuclear war and inflict irrevocable calamities on our nation and mankind.

Today, when the fate of all fellow countrymen is at stake in life or death, those conscientious Korean people cannot turn away from this grim reality. We should by all means open a new breakthrough to find a way out of the present difficult situation and to realize peace and the independent and peaceful reunification of the country. [applause]

The key to opening a new breakthrough in the present situation on the Korean peninsula to realize the reunification of the country is to alleviate the acute state of political confrontation and military tension at an early date and to create a genuine atmosphere of trust within the nation. We acknowledge that we need to hold high-level North-South political and military talks to solve the prior and urgent problems which have arisen in realizing the reunification of the country. [applause]

The serious distrust between the North and South originates largely from the state of political and military confrontation, and it largely depends upon the efforts of those holding real political and military power on both sides to solve it and create an atmosphere of trust. The high-level North-South political and military talks will have to discuss measures to bring an end to the present political confrontation, such as suspending slander and defamation against each other and promoting national ties by realizing diversified collaboration and exchanges between the North and South, as well as such steps to alleviate the present tension as reducing armed forces, halting the arms race, converting the Military Demarcation Line and the DMZ into a peace zone, and halting large-scale military exercises. [applause]

The high-level North-South political and military talks will have to discuss measures to enhance the authority [kwonnung] of the Neutral Nations Supervisory Commission [NNSC] and the problem of organizing neutral nations' supervisory forces consisting of the military personnel of Czechoslovakia, Poland, Switzerland, and Sweden, which are the members of the NNSC, as an organization to supervise the military actions of both sides. [applause]

Besides these problems, we are willing to discuss any proposal made by the South Korean side if it will help alleviate the political and military situation. In order to satisfactorily solve various problems to be raised by both sides in the high-level North-South political and military talks, the talks should be participated in by those holding real military power as well as by the high-level persons in authority of both sides. Our new proposal for high-level North-South political and military talks is the embodiment of the line of national unity and the reunification of the country consistently maintained by the government of the Republic, and it is further clear evidence of our efforts for peace.. [applause]

Our new proposal contains the firm determination and will of the government of the Republic to bring an end to distrust and confrontation, and to promote trust and unity between the fellow countrymen in whatever complicated environment they are placed in, to prevent war and ensure peace on the Korean peninsula, and to realize the reunification of the country peacefully. [applause]

If the South Korean persons in authority truly desire to open a breakthrough in the present stalemate between the North and South and to advance together with us along the road to peace and peaceful reunification of the country, they should positively respond to this sincere proposal made by us.

We think that the high-level North-South political and military talks will become an important turning point in promoting trust between both sides and to provide a new phase for easing tension so as to create an overall atmosphere for dialogue. [applause]

If the high-level North-South political and military talks bring forth good results, distrust which has accumulated for scores of years between the North and South will end, the spirit of national reconciliation and unity will sprout, and dialogue in many fields will be successfully pushed ahead in a good atmosphere.

If the high-level North-South political and military talks and dialogue in many fields are successfully held, highest-level North-South talks will be able to be held to discuss fundamental problems to realize the reunification of the country. [applause]

To guarantee a durable peace in our country and create the prerequisites for peaceful reunification, tripartite talks should be held among us, the United States, and South Korea. The conclusion of a peace agreement between Korea and the United States and the adoption of a declaration of nonaggression between the North and South are a process which should be completed in converting the unstable situation of our country, which is in the state of temporary armistice, into a lasting peace. These are duties which we, the United States, and the South Korean authorities cannot avoid.

If the United States really hopes for peace and reunification in Korea, it must respond to our proposal for tripartite talks and withdraw its troops, nuclear weapons, and other military equipment from South Korea.

The most reasonable way for realizing the independent and peaceful reunification of the fatherland is to found the Democratic Confederal Republic of Koryo as proposed by the Sixth WPK Congress. [applause]

If we are to prevent the North and South from being divided into two Koreas forever and to help the whole nation ward off a war holocaust, we have no alternative but to reunify the country by founding a confederal state, which will make neither side the conqueror or the conquered. In the future, therefore, we will also make patient efforts to realize this just proposal for reunification. [applause]

To settle the question concerning the reunification of the country in conformity with the will and desire of the Korean people, we must hold a conference for national dialogue which will represent the general will of people from all walks of life. We consider it reasonable to convene a joint conference of the political parties and other organizations of the North and the South for this national dialogue. We will always keep the door of this national dialogue open to all political parties and other organizations in South Korea. [applause]

Struggling for national reunification is a joint duty of the Korean people. All Korean compatriots in the North, South and abroad must accomplish the historic cause of national reunification of the fatherland at an early date by achieving great national unity and by pooling the strength of the whole nation, transcending differences in ideologies and systems. [applause]

The Korean revolution is part of the world revolution. The revolutionary struggle of our people is developing amid close links to the overall international situation. To expedite the complete victory of socialism and the accomplishment of the historic cause of national reunification, solidarity with the international revolutionary forces should be strengthened and international circumstances should be created favorable for our revolution.

The basic ideals that the government of our Republic has consistently maintained in the field of foreign relations are independence, friendship, and peace. The ideals of independence, friendship, and peace reflect the unanimous aspirations of our people and the world's progressive peoples, who are now determined to build an independent, friendly, and peaceful new world. Assuming the ideals of independence, friendship, and peace as the unwavering guidelines for its external activity, the government of the Republic will thoroughly embody them. [applause]

The government of the Republic will adhere firmly to independence in the field of foreign relations. We will map out foreign policies in conformity with the requirements of the Korean revolution and with the specific conditions of our country, carry them out, and settle all questions arising in international relations to meet the desire and requirement of our people. The government of the Republic will develop its relations with other countries on the principles of complete equality and mutual respect, and resolutely uphold the dignity and sovereignty of our nation in the international arena. [applause]

The government of the Republic will make positive efforts to develop relations of friendship and cooperation with many countries. It is the unwavering, firm policy of the government of the Republic to develop relations of friendship and cooperation with the socialist countries. The socialist countries are the strong bulwark of the world revolution. Developing relations of friendship and cooperation among the socialist countries is an important guarantee for the victory of the socialist and communist cause. The government of the Republic will strengthen friendship and solidarity with the fraternal socialist countries on the principles of Marxism-Leninism and proletarian internationalism, and work hard to develop exchanges and cooperation with them in all fields of politics, the economy, and culture. [applause]

The nonaligned movement is a mighty anti-imperialist force of our era aspiring for independence -- the driving force behind the advance of history. The government of the Republic will make every effort possible to further extend and develop state relations with the nonaligned countries and the Third World countries and to realize South-South cooperation. [applause]

The government of the Republic also will establish good-neighborly relations with capitalist countries which respect our sovereignty and are friendly toward our country, and will promote economic and cultural exchanges with them. [applause]

The DPRK is a peace-loving socialist country. Peace is the inherent demand of socialism as well as a unanimous aspiration of mankind. Even though the people now unanimously hope for peace, tense situations capable of triggering a nuclear war are being created in various parts of the world thanks to the maneuvers of the imperialists, who are bent on dominating the world with their nuclear superiority. Therefore the peace cause of mankind is now faced with a serious challenge.

Preventing nuclear war and protesting for peace is the solemn task raised by the current era. Proceeding from the noble sense of responsibility for the peace cause, the government of the Republic will resolutely struggle to check and frustrate the imperialists' maneuvers for aggression and war and to defend peace on the Korean peninsula, in Asia, and the world. [applause]

The most important thing arising in preventing nuclear war and defending peace at present is to prohibit nuclear testing, to realize nuclear arms reduction, and to completely abolish nuclear weapons.

As long as nuclear weapons remain on earth, the danger of nuclear war cannot be removed, and mankind cannot escape from nuclear danger. The government of the Republic, in cooperation with all peace-loving countries in the world, will staunchly fight to prohibit the testing, production, stockpiling, and use of nuclear weapons, to prevent the militarization of space, to reduce many kinds of nuclear weapons, and, furthermore, to abolish all nuclear weapons completely. [applause]

Creating nuclear-free, peace zones and expanding them are an important way for realizing the reduction of nuclear weapons, for preventing a nuclear war, and for defending peace. Guaranteeing peace and security on the Korean peninsula, where the danger of a nuclear war is greatest in the world, is of weighty significance in improving the situation in Asia and the Pacific and in easing the overall international situation. The government of the Republic will make all efforts to have the nuclear weapons removed from South Korea and to turn the Korean peninsula into a nuclear-free, peace zone. [applause]

The government of the Republic actively supports many kinds of peaceful proposals advanced by the socialist countries to prevent a nuclear war and defend world peace and security, and highly appraises their sincere efforts to realize them. [applause]

We actively support the struggle of the European socialist countries and the people in this region to create nuclear-free, peace zones in the Balkan peninsula and many other parts of Europe, and express our firm solidarity with the struggle of the world's peace-loving people to create nuclear-free, peace zones in Africa, the Middle East, the Indian Ocean and the South Pacific, as well as many other parts of the world. [applause]

The government of the Republic fully supports the just cause of people in Asia, Africa, and Latin America and other people in the world, who are struggling against the maneuvers of the imperialists for aggression and war and fighting for peace, democracy, national independence, and the construction of new societies. It expresses firm solidarity with the antiwar, antinuclear, and peace-defending campaign which is growing greater in vast areas of the world with each passing day. [applause]

Under the banner of independence, friendship, and peace, the DPRK Government will resolutely fight to build a new peaceful and prosperous world without imperialism and war in firm unity with the socialist countries, the nonaligned countries, and all peace-loving forces of the world. [applause]

Comrades, today our people are overflowing with firm resolve and faith to achieve the complete victory of socialism and the historic cause of national reunification at an early date by more powerfully accelerating revolution and construction. The strength of our people solidly armed with the *chuche* idea and firmly united around the party is ever-victorious and invincible, and the future of our people who are fighting for the just revolutionary cause with power in their hands is resplendent. [applause]

Let all of us powerfully struggle to bring about the complete victory of socialism and the independent and peaceful reunification of the fatherland in firm unity around our party and the government of the Republic, upholding the revolutionary banner of the *chuche* idea. [applause and cheers]

MX, MIDGETMAN MISSILE DEVELOPMENT DENOUNCED

SK240517 Pyongyang KCNA in English 0503 GMT 24 Dec 86

[Text] Pyongyang December 24 (KCNA) -- NODONG SINMUN and MINJU CHOSON today comment on U.S. President Reagan's decision to introduce mobile launching system for "MX" missiles and step up the development of single warhead missile "Midgetman".

In a signed commentary NODONG SINMUN says that the U.S. imperialists' decision to introduce the mobile launching system for "MX" missiles is aimed at mounting a surprise forestalling nuclear attack in secret on their counterpart, and their stepping up of the development of new type of single warhead missile is designed to improve the accuracy of its hit and augment the fire power of warhead to increase nuclear attack capacity.

Noting that at the same time, the U.S. imperialists are hurrying up with their "Star Wars" programme, the paper stresses:

The U.S. warmaniacs are scheming to realize their "superiority of strength", "nuclear superiority" over socialist countries by increasing strategic nuclear forces and preparing the "star wars", and make a forestalling nuclear attack on these countries so as to achieve their ambition for world supremacy.

The Reagan administration's policy of reckless nuclear arms buildup is a root cause of the danger of covering the globe with clouds of a nuclear war and gravely threatening the existence of mankind.

The U.S. imperialists take South Korea as a firstline nuclear offensive base and attempt to make a forestalling nuclear attack on socialist countries therefrom. The United States should know that its dream of "nuclear superiority" can never come true.

SOUTH KOREAN ECONOMY DESCRIBED AS IN 'CRISIS'

SK270410 Pyongyang KCNA in English 0400 GMT 27 Dec 86

[Text] Pyongyang December 16 (KCNA) -- The South Korean economy has undergone a serious crisis this year.

The South Korean economy is characterized this year by the intensified colonial subjugation and extortion.

In July last the South Korean puppet clique signed treacherous documents for opening the markets of cigarettes and insurance and protecting intellectual property, complying with the demand of the U.S. imperialists.

As the puppet clique meekly conceded the demand of U.S. imperialists, more than 130,000 farm houses of South Korea had to give up tobacco farming all at once. And South Korea suffers a loss of 4,000-5,000 million dollars a year in the insurance market and a loss of more than 1,000 million dollars a year in intellectual property protection.

The United States put economic pressure to bear upon South Korea to satisfy its greed in different fields -- opening its markets of more than 40 kinds of goods, upvaluation of the South Korean money and opening of banking and advertising.

The South Korean economy is also characterized this year by a serious imbalance in export.

Till the end of this year the puppet clique will have to suffer a deficit of 6,000 million dollars, more than double last year's in trade with Japan. And restrictions on import had been put on over 100 kinds of South Korean goods by the end of August in many capitalist countries.

In finance, the total amount of currency in circulation in May was seven times that of a monthly average growth from January to April as the budget was squandered in the suppression of people and military exercises and paper money issued at random.

The U.S. imperialists' economic pressure, stagnancy of export, runaway inflation and the economic crisis in capitalist countries -- all these were linked together to cause a financial difficulty in South Korea.

KUFNCD NATIONAL COUNCIL HOLDS MEETING 26 DECEMBER

BK280630 Phnom Penh SPK in English 0458 GMT 28 Dec 86

[Text] Phnom Penh SPK December 27 -- The National Council of the United Front for Construction and Defence of the Kampuchean Fatherland held its sixth conference in Phnom Penh Friday to review its past activities, in the presence of Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea and president of the State Council of the PRK.

After the opening speech delivered by Bou Thang, Politburo member of the party Central Committee and vice premier, Chea Sim, Politburo member of the party Central Committee and chairman of both the National Assembly and the National Council of the UFCDKF [KUFNCD], the main speaker, reviewed the activities of the National Council of the front, the front committees at all levels and mass organizations in 1986.

He also highlighted the front's main tasks in the coming year, 1987, such as: to enhance the national solidarity and internationalist socialist solidarity and promote the spirit of genuine patriotism and of collective mastership; to encourage the mass; to implement the party and state's sixpoint clemency policy toward the misled people; to better the policy toward the families of combatants and labourers who are building the major defence line at the Kampuchean-Thai border and to encourage the family and private economic sectors; to well implement the party's policy toward the peasantry, and the party's resolution on building the Kampuchean working class into the vanguard of the revolution; to imbue the Buddhist monks, with their roles and tasks in the national construction and defence; to well implement the party's policy toward intellectuals, encouraging them to actively participate in the national defence and construction; to better implement the party's nationality policy; enhance qualitatively and quantitatively the activities of the front activists at all grassroots levels; to tirelessly consolidate and develop the ties of militant solidarity, friendship and cooperation among Kampuchea, Vietnam and Laos and the solidarity and cooperation with the Soviet Union and other fraternal socialist countries, and national liberation movements and other progressive and peace-loving organizations throughout the world; to actively push ahead the patriotic emulation movement, and the three revolutionary movements.

Also present were Koy Buntha, member of the party Central Committee and minister of national defense; Superior Bonze Tep Vong, vice chairman of both the National Assembly and the front's National Council; Ros Chhun, candidate member of the party Central Committee and secretary-general of the front's National Council; Chan Ven, general secretary of the State Council and president of the Kampuchea-Vietnam Friendship Association. Members of the diplomatic corps in Kampuchea were also present.

Bou Thang Opens Meeting

BK280840 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 86

[Report on recorded opening address by Bou Thang, member of the Political Bureau of the KPRP Central Committee, vice chairman of the Council of Ministers, and vice chairman of the KUFNCD National Council, at the KUFNCD National Council's sixth meeting in Phnom Penh on 26 December]

[Text] Our front's sixth meeting is being held at a time when our people throughout the country are striving to produce results toward the end of the emulation program in the three revolutionary movements aimed at welcoming the forthcoming eighth anniversary of the historic 7 January 1979.

Under the correct and clear-sighted leadership of the KPRP through rallying forces and implementing tasks and with the assistance of the front and our mass organizations, our people have taken part in braving all difficulties and actively implementing the three revolutionary movements, namely fighting the enemies, producing, and contributing to build revolutionary forces in every field. The party's common and strategic tasks in the first 5-year economic and social plan have achieved praiseworthy results. We have ensured and further strengthened the right to be masters of the collectivity and of our own destiny. Our people have cooperated with the armed forces and linked themselves to the Vietnamese volunteer army in fighting and serving the struggle with a resolute will to win, to be masters of the battlefield and bases along the Cambodian-Thai border, and in carrying out national defense tasks. These are strategic defense tasks to cut off the communication lines of the enemies who try to infiltrate the country. Along with this, our revolutionary forces have been strengthened and expanded both in quantity and quality. Our 6-point clemency policy is being deeply disseminated along misled persons. A large number of these people have awakened and returned to live with the nation and their families. These victories confirm the new development of our revolutionary forces both along the border and inside the country. They also confirm the failure and weakening of the enemies in their attempt to regain their lost positions. The enemies' maneuvers to topple the PRK regime have been successively defeated. Our production and the building of real revolutionary forces have made new progress and are advancing toward socialism. This has continually heightened the PRK's prestige.

Dear clergy, party members, comrades, and friends: Although the enemies have been seriously defeated, they have not yet given up their maneuvers and tricks to destroy our revolution. To continue these activities, expansionist-hegemonists, in collusion with U.S. imperialists and other international reactionaries, particularly the Thai ultrarightists, continue to provide assistance and support, morally and materially, to the Pol Pot remnants and the three reactionary Cambodian groups. Our struggle against the enemies in the cause of defending the fatherland and the revolutionary gains is still facing complex and trying difficulties. We should heighten our revolutionary vigilance in smashing every enemy maneuver.

It is correct that every monk and priest, members of the KUFNCD National Council at every level, and mass organizations have made all out efforts to implement revolutionary tasks and score lofty and great results. However, these results have not yet corresponded to the task set out by the party's fifth congress. It is in this spirit that this meeting is convened to review past results and set targets for 1987.

With the belief that the meeting will be crowned with fine results, I declare the meeting open. [applause]

Chea Sim Speaks

BK281131 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 86

[Report on address by Chea Sim, member of the KPRP Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council, at sixth enlarged conference of the KUFNCD National Council held in Phnom Penh on 26 December -- passages within quotation marks recorded]

[Text] "We are getting together today in a spirit of close unity and great joy to welcome the enlarged meeting of the KUFNCD National Council after jointly struggling valiantly to defend our fatherland and our revolutionary achievements.

"The year 1986 is the first year of implementation of the 1st 5-year socioeconomic restoration and development plan set forth by the fifth party congress. The entire party, KPRAF, and all people have enhanced their sense of responsibility, carried out their tasks in accordance with their respective roles and duties, struggled and prepared for struggle, both on the forefront and at the rear, in order to serve the cause of firmly defending the nation's independence and building the Cambodian fatherland through the transitional period toward socialism. From the pace of our task to attack the enemy through the use of both the armed forces and the proselytization campaign, we may say that we are now in a position of strength and victory while the enemy is in a risky and weak position permeated with internal rifts. The enemy is definitely unable to reverse the situation in Cambodia. In addition to our tasks against the enemy, we have vigorously promoted our agricultural production drive. Our dry-season rice output this year is better than in the previous year, while our rainy-season rice yield is quite promising although there was little rainfall in some regions at the beginning of the season. Despite these difficulties, we achieved satisfactory results in this rainy-season's rice production because our peasants made vigorous efforts in the middle and at the end of the season.

"Briefly speaking, the improvement and reclamation of land for agricultural production, the planting, and the [words indistinct] this year have developed rapidly. The four economic bases, most importantly the family-run economy, have been vigorously promoted."

After clearly reporting on the rapid development in the educational, social, and health fields, Comrade Chea Sim spoke on progress in various other fields, such as industry, handicrafts, communications, and transportation, which have actively contributed to restoring the national economy, stabilizing the people's livelihood, and serving combat. After referring to the successes in the diplomatic field, Comrade Chea Sim stressed:

"The great victories scored by our Cambodian revolution are the outcome of the joint effort made by the entire party, armed forces, and people, including the front and the mass organizations, and of the effective assistance of the fraternal socialist countries with the Soviet Union as the bulwark, particularly the assistance of the fraternal Vietnamese and Lao peoples.

"Grasping the lessons and experiences mentioned in the report of the fifth party congress, in which the national united front is termed as the decisive factor for the 7 January 1979 victory and the source of strength for the defense and construction of our fatherland, the front at all levels and the three mass organizations have actively and frequently carried out revolutionary activities in accordance with their respective roles and tasks. Most importantly, they have carried out propaganda and educational campaigns to rally all forces to fulfill their work and [words indistinct]. Through this work, our people have had a greater sense of political awareness and have become well aware of the correct leadership of the KPRP and of our revolution's position of victory and the enemy's position of weakness and defeat. Clear differentiation between friend and foe, the growing spirit of national and socialist internationalism, the greater indignation against the enemy, and the resolute determination to fight and be ready to fight for the defense of the fatherland and to join in building genuine revolutionary forces in all aspects are clear proof of the rapid development of our people's spirit of genuine patriotism. For this reason, despite the fact that the enemies of all stripes still cling to their perfidious maneuvers for a war of occupation aimed at toppling our Cambodian revolution, our revolutionary forces, under the correct leadership of the KPRP and with the front's appeal and call for unity, have nevertheless developed and are advancing firmly and vigorously in accordance with the rule of development of the socialist revolutionary movement.

"The KUFNCD National Council would like to express its warmest welcome to the brilliant victories scored by our Cambodian fatherland in 1986."

Comrade Chea Sim then detailed the activities of the KUFNCD National Council, the front at all levels, and the mass organizations which have actively and constantly carried out their respective tasks with a high sense of responsibility in 1986. In conclusion, Comrade Chea Sim listed the front's main tasks in 1987, aimed at contributing to the implementation of the collective strategic tasks and the three revolutionary goals set forth by the fifth party congress.

SRV REGIMENT POSITIONS IN PAILIN ATTACKED

BK300139 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 Dec 86

[Text] On 27 December, at 0300, the DK National Army, in cooperation with the people and patriotic Cambodian soldiers, launched a commando attack against the Vietnamese enemy's regiment position, an artillery position, and military warehouses at Chamka Kafe in Pailin [Battambang Province].

After a 30-minute battle, we were in complete control of these positions. As a result:

1. We killed 158 Vietnamese enemy soldiers on the spot, including 1 division commander, 2 commanders of the 8th regiment, 2 commanders from the 6th battalion, 3 commanders from the 3d battalion, and 7 platoon and company commanders, and wounded 86 others. We destroyed 6 Soviet-made 130-mm guns, 4 Soviet-made 122-mm guns, 2 85-mm guns, 2 DK-75 guns, 6 DK-82 guns, 2 82-mm mortars, 3 60-mm mortars, 1 12.8-mm gun, 1 machinegun, 28 B-40 and B-41, 3 RPD guns, 3 M-79's, 4 K-59 and K-54 pistols, 6 tracked vehicles, 5 Soviet-made big trucks, 1 Soviet-made large radio, 1 Soviet-made CM-105 field radio, 1 C-25 radio, 2 large telephones, 7 small telephones, 6 radio receivers, 5 ammunition depots each measuring 20 by 40 meters which exploded from 0300, 27 December to 28 December, military warehouses each containing thousands of metric tons of war materiel, and all barracks and war materiel at these positions.

2. We seized 25 AK's, 2 DK-82 guns, 1 82-mm mortar, 2 B-40's, 60,000 rounds of AK ammunition, 318 B-40 and B-41 rockets, 23 maps, hundreds of rucksacks full of uniforms and materiel, and some other materiel. On 27 December at 1100, the Vietnamese enemy's 5th, 36th, and 2d regiments came to rescue their comrades. We ambushed and attacked them with mines, killing seven on the spot and wounding a number of others; the remaining soldiers retreated.

COOPERATION PROTOCOLS SIGNED WITH USSR

BK211233 Vientiane KPL in English 0914 GMT 20 Dec 86

[Text] Vientiane, December 20 (KPL) -- A protocol on economic, scientific and technical cooperation between Laos and the Soviet Union was signed here yesterday at the 8th session of the Lao-Soviet and Soviet-Lao Intergovernmental Commissions for Economic, Scientific and Technical Cooperation.

Signatories were Sali Vongkhamsoo, vice-chairman of the Council of Ministers and chairman of the Lao-Soviet Commission for Economic, Scientific and Technical Cooperation, and V.K. Gusev, vice-chairman of the Council of Ministers of the U.S.S.R. and chairman of the Soviet-Lao commission.

Under the protocol, the sides reaffirmed their joint efforts to promote exports, agriculture, industry, and forestry and mineral exploitation. The Soviet Union will help the Lao PDR fulfill the Sedone and Theun rivers [projects] on routes N. 13 and N. 8 respectively. (?The Soviet Union is to provide Laos with the designing work in) the building of the overland bridges in the Lao PDR within the framework of its second 5-years plan.

In furtherance of bilateral commercial cooperation, another protocol on trade exchange and payment for 1987 was also signed on the occasion by Lao Deputy Trade Minister Sompadit Volasan and Soviet Deputy Foreign Trade Minister Yevgeniy Paulovich Baurin.

Under this document, the Soviet Union will supply the Lao PDR with transport equipment, building materials, petroleum, spare parts and manufactured products, while the Lao PDR is to provide the Soviet Union with wood products, tin ores, coffee, cardamom and agricultural productions.

A protocol on scientific and technical cooperation of the 7th session of the permanent subcommission for scientific and technical cooperation between the Lao PDR and the Soviet Union was also signed here on the same occasion. Signatories were Souli Nanthavong, president of the State Council of Science and Soviet Ambassador Yuriy Mikheyev.

The protocol stipulates that the two sides will cooperate in soil survey, seed selection, and aerial geological cartography with 1/500,000 scale. The Soviet side will also provide necessary equipment for scientific research and the training of Lao technicians.

SOVIET COOPERATION DELEGATION LEAVES FOR HOME

BK201225 Vientiane KPL in English 0907 GMT 20 Dec 86

[Text] Vientiane, December 20 (KPL) -- A delegation of the Soviet-Lao Intergovernmental Commission for Economic, Scientific and Technical Cooperation led by its president V.K. Gusev, vice-chairman of the Council of Ministers of the USSR, left here today for Moscow after attending the 8th session of the Intergovernmental Commission for Economic, Scientific and Technical Cooperation between the two countries.

Bidding farewell to the delegation at the airport were Sali Vongkhamsoo, vice-chairman of the Council of Ministers of the Lao PDR and chairman of the Lao-Soviet Intergovernmental Commission for Economic, Scientific and Technical Cooperation, and other high ranking officials.

Soviet Ambassador to Laos Yuriy Mikheyev, was also present at the airport.

During its stay here, the Soviet delegation called on Nouhak Phoumsavan, Politburo member of the LPRP CC, first vice-chairman of the Council of Ministers, and visited production bases, historical and culture places in Laos. They also visited various important construction projects in Vientiane which have been built by the Soviet assistance.

USSR SENDS THANKS FOR OCTOBER ANNIVERSARY NOTE

BK131255 Vientiane KPL in English 1020 GMT 13 Dec 86

[Text] Vientiane, December 8 (KPL) -- Kaysone Phomvihan, general secretary of the LPRP CC, chairman of the Council of Ministers, and Phoumi Vongvichit, acting-president of the Lao PDR, have received a message of thanks from the CPSU CC, the Supreme Soviet and the Council of Ministers of the USSR.

The message wrote:

"Please accept our profound thanks for your congratulations and best wishes on the occasion of the 69th anniversary of the Great October Revolution.

"We, on this occasion, would like to express our firm hope that the fraternal friendly relations between the parties, states and peoples of our two countries based on the unshakable foundation of Marxism-Leninism and socialist [words indistinct] would be strengthened and developed with each passing day, for the interests of peace and socialism."

The message wished the Lao entire people still greater successes in the implementation of the resolutions of the 4th Congress of the Lao People's Revolution Party.

THAI-U.S. WAR RESERVE STOCKPILE CRITICIZED

BK291707 Vientiane Domestic Service in Lao 0530 GMT 28 Dec 86

[Feature: "Peace Is the Supreme Aspiration of Everyone"]

[Text] Respected listeners, peace is an aspiration of everyone, in particular the two peoples of Laos and Thailand, who, at this point, have come to understand well the value and significance of peace. This is why the peoples of the two countries are now delighted to see that Lao-Thai relations, with fine traditions of fraternal friendship between the two peoples, are entering the path of improvement.

This has been clearly reflected by the friendship boat races held between Vientiane and Nong Khai Provinces and Savannakhet and Mukdahan Provinces and, in particular, by the 12-day tour of the Kingdom of Thailand by a Lao art and acrobatic troupe from 10 to 22 December in accordance with plans to arrange an artistic exchange between the Lao and Thai peace organizations.

Following these joint traditional art and sports activities, the two people of Laos and Thailand have achieved mutual understanding. They have also effectively contributed to improving the time-honored relations between the two peoples.

However, not all news from Thailand is pleasant. What the Lao and Thai peoples should take into consideration at this time is that while the two peoples are rejoicing over the recent improvements in bilateral relations, there is news that Thai officials on 15 December approved the draft agreement on setting up a U.S. war reserve stockpile in Thailand and that the signing ceremony for the agreement will be held soon. This war reserve stockpile will cost some U.S. \$100 million, and the Thai side will have to spend some \$20 million each year for maintenance. It is certain that part or even half of the money will come from the incomes of the Thai people themselves.

In view of this, let us consider whether it is necessary for the Thai officials to have the U.S. war reserve stockpile at that high price. What is the need for the stockpile at a time when the people throughout the world, including most Thai people, are calling for peace and disarmament and demanding employment, building of schools for children, adjustment of paddy prices, improvement of living conditions of workers and farmers, and so forth. In light of this, Thai officials should spend the time and money for the purpose of resolving the various problems mentioned above instead of for setting up an arms stockpile.

As for the Lao people who have passed through the trials of war on many occasions, they are well aware that war is the source of disaster and suffering and they earnestly desire not to see war breaking out again. This is why immediately after learning about the Thai officials' decision to set up the U.S. war reserve stockpile in Thailand, the Lao people felt sorry for the Thai people. The Lao people are well aware that the arms stockpile is not constructive and that it is not a tool for improving the living conditions of the Thai people. It is a tool to be used in serving war; and if any accident occurs in the arms stockpile, the incident would cause heavy losses and disasters to the Thai people.

No mention is made of how the United States will make use of the weapons in the stockpile, how Thailand will lose its sovereignty, and how Thailand will become a target for attack by those who suffer as a result of the use of the weapons from the stockpile. The Lao and Thai peoples are of the view that the arms stockpile is not a paddy silo, that the arms stockpile is of no use, and that it will only cause destruction. So, why is it needed? It would be better to build a food stockpile. The Lao people think that the Thai people are of the same opinion, meaning they also desire peace and not war. They all prefer employment, rice, houses, medicine, schools for their children, and staple items for use in raising the level of their living standards.

SAMAN VI-GNAKET RECEIVES CAMBODIAN AMITY GROUP

BK291300 Vientiane KPL in English 0947 GMT 29 Dec 86

[Text] Vientiane, December 27 (KPL) -- Saman Vi-gnaket, Politburo member of the LPRP CC and head of its organizational commission, today received a delegation of the Kampuchean-Lao Friendship Association led by its president Di Phin, deputy-minister of the state committee for social welfare and war veterans.

In a cordial and friendly atmosphere, Saman Vi-gnaket highlighted the visit of the Kampuchean delegation as contributive to the enhancement of the special relations, solidarity and all-round cooperation between the two countries. He also spoke of the regional questions and ways of solving them for the sake of peace and stability.

For his part, Di Phin hailed the achievements scored by the Lao people in the past years. He pledged to further consolidate the special ties existing between Kampuchea and Laos.

COMPANY NAMED TO HANDLE DIPLOMATS' HOUSING, GOODS

BK281222 Vientiane KPL in English 0924 GMT 24 Dec 86

[Text] Vientiane, December 24 OANA-(KPL) -- A contract was signed here on December 20 between the Diplomatic Service Department of the Ministry of Foreign Affairs and the Construction and International Shipping Company of Vientiane capital.

The contract is to meet the demand of foreign embassies and international organisations in Laos in house reparation and construction and goods transportation.

According to this contract, the Foreign Ministry and Diplomatic Service Department agree to hand over to the construction and company [as received] of Vientiane capital the right to take charge of house reparation and construction and goods transportation for the diplomatic corps and international organizations in Laos. Embassies and international organizations are expected to inform the construction and international transportation company of their needs for house construction and reparation and international transportation. They are advised not to contact directly or sign any contract with private enterprises on this matter.

Present at the signing ceremony were Soulivong Phasitthidet, deputy-minister of foreign affairs, Sai Phakasoum, deputy-minister, head of the communications, transport, post and construction service of Vientiane capital, and other officials.

SRV SOLDIERS KILL 43 ME0 TRYING TO FLEE

BK300245 Bangkok BANGKOK POST in English 30 Dec 86 p 1

[Text] Vietnamese troops shot dead 43 Meo hilltribe people trying to cross over into Thailand in Nong Khai Province on Friday, provincial authorities said yesterday.

Sources said on the evening of December 26 and the early morning of the next day, 76 Meo hilltribe people tried to cross the Mekong River into Thailand at Ban Nong Kangka in Bungkan District. A platoon of Vietnamese soldiers spotted them and kept firing as they tried repeatedly to cross the border throughout the night.

By the morning of December 27, 19 Meo had reached Thai territory and another 14 had been captured by the Vietnamese. Survivors told Thai authorities they were from Siang Dao in Laos and that the group included women and children.

They added that 43 of their group were shot dead trying to flee. Of the 19, 10 were women and the rest men. They have all crossed back to Laos to join the rest of their group and to try to take revenge on the Vietnamese.

They added they had encountered Laotian troops before trying to cross the river and had been given life jackets by them.

PRC'S LIU SHUQING LEAVES FOR HOME 30 DEC

BK310752 Bangkok Voice of Free Asia in English 1500 GMT 30 Dec 86

[Text] Chinese Deputy Foreign Minister Liu Shuqing left Bangkok today for Beijing after 5 days of talks with Thai officials on bilateral economic issues and Indochina, a Chinese Embassy official said. The Chinese official, who arrived in Bangkok last Thursday after a 5-day official visit to Laos, briefed Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila on his talks with Laotian officials. Mr Liu, the most high-ranking Chinese official to visit Laos since 1978, has proposed to Deputy Foreign Minister Khamphai Boupma an upgrading of current Chinese representation from charge d'affaires level to that of ambassador. Vientiane said it would consider it. China and Laos downgraded their representations in each other's capital at Vientiane's request in 1979 following fights between China and Laotian ally, Vietnam, on Vietnam's northern border. Bangkok and Beijing have said they were ready to resume some parts of their aid to impoverished Laos provided that normalization made progress.

PRASONG URGES COUNTRIES TO RESETTLE CAMBODIANS

BK300645 Bangkok THE NATION in English 30 Dec 86 p 3

[Text] Premier's Secretary General Prasong Sunsiri yesterday urged resettlement countries to commit to their pledges that they will share Thailand's burden by taking refugees from the country.

Prasong told a press conference at the Government House that those countries which want to help Thailand should match their words with deeds by speedily resettling the refugees.

He reaffirmed that the Khao I-Dang camp for Khmer refugees in Prachin Buri Province will be closed on Wednesday and the Thai Government will start moving the Khmers who illegally live in the camp to another camp in northeastern province of Buri Ram.

He said the illegal refugees have to be relocated to Buri Ram since they may not be accepted by their compatriots at Site 2 near the Thai-Kampuchean border.

He said the illegal immigrants are those who sneaked into the camp from Site 2 since late last year and they may be harmed if they are returned to the site.

He said Thai officials have the authority to move the illegal Khmers out of Khao I-Dang immediately.

Prasong who still oversees the refugee policy said the second step of closing the camp involves a relocation of about 7,000 ration card (RC) holders to Site 2 in Prachin Buri and Site B in Surin.

However, he did not say when the move of the RC holders will begin.

He said the third step will be the relocation of about 16,000 original population of the camp and the family card holders who will leave for border encampments of their choice.

He said the Khao I-Dang refugees will receive the same kind of protection as that provided to about 250,000 Khmer displaced persons along the Thai-Kampuchean border. The displaced Khmers are not allowed by the government to resettle in third countries.

He said the government will let the United Nations bodies to decide whether UN High Commissioner for Refugees or UN Border Relief Operation should take responsibility over the Khao I-Dang refugees at the border.

SITTHI HEADS NEW WORKING GROUP ON TRADE WITH U.S.

BK241046 Bangkok Voice of Free Asia in Thai 1030 GMT 23 Dec 86

[Text] The Council of Economic Ministers meeting yesterday, chaired by Prime Minister General Prem Tinsulanon, approved the proposal of the Foreign Ministry for formation of a working group for resolving trade and economic disputes with the United States. The group is chaired by Foreign Minister Air Chief Marshal Sitthi Sawetsila, with Chirayu Itsarangkun na Ayutthaya, minister attached to the Prime Minister's Office, and Deputy Foreign Minister Praphat Limpraphan as deputies. The working group's duty is to consider policies and directions for economic relations with the United States for submission to the Council of Economic Ministers for consideration of remedies to immediate problems affecting Thai-U.S. economic and trade relations. It will serve as the central body for coordinating regular and continued actions and negotiations with the United States and report the results of the actions and negotiations to the Council of Economic Ministers.

The formation of the working group follows trade and economic disputes which have occurred in the past 2-3 years in Thai-U.S. relations, which had in the past been smooth and close. The disputes emanate from U.S. foreign trade deficits which have caused various groups in U.S. industrial and agricultural sectors to pressure the U.S. Government and Congress to implement protectionist policies against imports and to force U.S. trading partners to open up markets for U.S. products and protect U.S. intellectual property rights which they regard as the main factor in putting U.S. products at a disadvantage vis-a-vis foreign products. The implementation of the policy has negatively affected Thailand in many ways.

SOCIAL ACTION PARTY REELECTS SITTHI AS LEADER

BK241504 Bangkok Television Service in Thai 1300 GMT 24 Dec 86

[Text] The Social Action Party held a general assembly to elect the party committee at the Indra Hotel. Prasop Butsarakhom was elected the new party spokesman, while Chanchai Chairungruang and Sangthong Sithanet were elected as deputy spokesmen.

Members of the party committee remain unchanged. Air Chief Marshal Sitthi Sawetsila was elected party leader. Deputy leaders are: Thongyot Chittawira, Phong Sarasin, Kasem Sirisamphan, Chaisiri Ruangkananaset, Praphat Limpaphan, Montri Phongphanit, Prayut Siriphanit, Subin Pinkhayan, Amnuai Yotsuk, and Udon Tantisunthon. Party secretary general is Surat Osathanukhro. Deputy party secretary generals are: Santi Chaiwirattana, Mai Sirinawakun, Prinya Chuaiphot, and Surasak Thiamprasoet.

LAO AMBASSADOR INTERVIEWED ON RELATIONS

BK270606 Bangkok Television Service in Thai 1300 GMT 25 Dec 86

[Interview with Khamphan Simmalavong, LPDR ambassador to Thailand, by TV announcer Somkiat Onwimon; date and place not given -- recorded; Khamphan Simmalavong speaks in Lao without translation]

[Text] [Somkiat] Mr. Ambassador, how do you evaluate the result of the visit to Thailand by the Lao arts troupe?

[Khamphan] We think that the visit to Thailand of the Lao arts and acrobatic team has greatly contributed to the gradual improvement of relations between the peoples of the two countries, interests of our two peoples, peace, and stability in this region.

[Somkiat] During the visit of the arts troupe, did you see their performances in Bangkok, Chiang Mai, and the northeast?

[Khamphan] I had no time. I only saw the performance in Bangkok.

[Somkiat] You probably have visited many places before. Did you notice the reaction of the Thai audience to such beautiful performances?

[Khamphan] The fraternal Thai people have also shown great interest in their performances, the content of which might be unfamiliar to them because we tried to emphasize in every performance our national identity, fine culture, and promote the national construction in the advance toward socialism.

[Somkiat] Have you asked members of the arts troupe how they felt about their tour of various places in Thailand?

[Khamphan] They said they were accorded a warm and most cordial reception upon their arrival here. They have no difficulty with the Thai language so they felt as if they were performing in their own country. Unlike other places, the Thai people sincerely welcomed and cordially supported them. We and members of our arts troupe are satisfied. Everything went smoothly due to attention given to us by the Thai Government, Thai people, and officials, including TV Channel 9.

[Somkiat] We have learned that a Thai arts troupe will also visit Laos. How far has this matter gone?

[Khamphan] This is a common practice in cultural exchange. Since the Lao arts troupe has visited the Kingdom of Thailand, we are now preparing to invite a Thai arts troupe to visit Laos.

[Somkiat] After the Thai people have seen TV coverage of the recent visit to Laos of a Thai delegation led by the prime minister's adviser and performances of the Lao arts troupe here, we can see that the two countries share similarities in culture, arts, and livelihood. We cannot imagine how Laos' socialist and Thailand's democratic administrative systems can hinder closer relationship between the fraternal Thai and Lao peoples.

[Khamphan] We agree with you Dr Somkiat. Although our administrative, political, social, economic systems are different, they are not obstacles to cooperation, peaceful coexistence, mutual interests between our two countries. Our two countries can cooperate in many areas such as in economy, culture, sports, technology, and science. In the particular case of the Lao People's Democratic Republic and the Kingdom of Thailand, their history, nature, culture, customs, languages, religion, and realities are conditions conducive to their peaceful and fraternal coexistence for the time being and forever.

OFFICERS ON MUSLIM SEPARATIST MOVEMENT

BK230215 Bangkok THE NATION in English 23 Dec 86 p 3

[By Tunsathit Thapthim]

[Text] Songkhla -- There are indications that Muslim terrorists in the five southernmost provinces are focusing on political approaches after their military activity was effectively curbed by government authorities.

The Fifth Army Division, which is in charge of security in the region, recently set up a committee to find ways to deal with the problem of religious conflicts following reports that the Muslim terrorists are becoming "more politically active."

According to Commander of the Fifth Division Maj Gen Kitti Rattanacharya, the committee aims to "use the help of Thai Muslims in clamping down on Muslim rebels."

Government officials here told THE NATION that Muslim terrorists, in an attempt to improve their image, are also expected to scale down their violent struggle against the government next year.

The officials, who insisted on anonymity, said immediate demands of the terrorists are establishment of a Muslim university in the southern region and permission for Thai Muslim officials to wear Islamic uniforms during work hours.

They said the separatists whose popularity has been declining, hope to gain more support from Thai Muslim people through changes in their tactic.

The Muslim rebels have been known as notorious terrorists "who would kill without reason" and extortionists. Their victims were both Thai Muslim people and Buddhists because they wanted to fuel the tension between the two groups of people. Their existence was partly supported with "protection fees" collected from rubber plantation owners and people living in areas under their influence.

Many leaders of the Thai Muslims have reportedly been supporting the so-called Mujahidin movement -- the latest secessionist grouping which emerged because the Pattani United Liberation Organization (PULO) and the Barisan National Rakyat [as published] (BRN) movement failed to make progress in their efforts to establish a new state in the Muslim-dominated southernmost provinces.

The outlawed movement, whose members reportedly include about 200 Arab-trained young Thai Muslims, are expected to actively infiltrate religious groups and gradually approach Thai Muslim politicians who they think can help them achieve the two targets, the officials said.

Superintendent of Pattani Provincial Police Pol Col Manot Charak said in an interview with THE NATION that there are presently no armed Muslim rebels in the southern province. But he admitted that Pattani is the "command centre" of the movement where a certain number of "intellectual rebels" are active.

However, attempts by high-level separatists in Pattani to secure political support were not so successful, he said. "They can brainwash only a few people. Moreover, many Thai Muslims shrugged off their idea to have Thai Muslim officials dressed in Islamic uniforms," he said.

According to Manot, the secessionist guerrillas have become less and less influential.

The Fifth Division's Commander Maj Gen Kittti, meanwhile, told THE NATION that the committee on the separatist problem in the South has tried to encourage Thai Muslim people to expose their resentment of being the country's minority group.

"They will have a sentiment of belonging to the nation if they join more significant national activities," Maj Gen Kittti said.

He said there are currently "only remnants" of the secessionist movement in southern provinces. "But it would be awful if they managed to secure more support," he admitted.

"I realize this fact so I set up the committee," he said. Members of the committee of which he is chairman include senior army officials of the Fifth Division and respectable Muslim leaders, he added.

Influential Muslim figures who are members of the committee have the most important role in encouraging Thai Muslims to be more open to national events and realize their Thai citizenship, according to Maj Gen Kittti.

They will also closely monitor activities of the Muslim guerrillas and psychologically separate the people from the secessionist movement, he said.

He added that the Fifth Division takes charges of suppression and intelligence matters in supporting the performance of the committee.

He said the fact that Thai Muslim people unprecedentedly came out in large numbers to join the rest of the Thai people in showing loyalty to His Majesty the King on the occasion of his birthday anniversary this year indirectly represented a significant progress in the work of the committee. Previously, the Thai Muslims held their own ceremonies to pay homage to the king, he said.

Maj Gen Kittti, who has long been involved in the Thai-Malaysian common border problem -- Communist Party of Malaya -- and separatist insurgency for many years, said that Muslim terrorists "should be overcome by the Thai Muslim people themselves." "That is the best and most practical solution to the problem," he stated.

VO VAN KIET REPORT TO ASSEMBLY, INSTALLMENT 2

BK301345 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Dec 86

[Second installment and "first half of Part II" of 24 December report on the 1987 socioeconomic development plan by Vice Chairman of the Council of Ministers and Chairman of the State Planning Commission and party Central Committee Politburo member Vo Van Kiet to the 12th session of the 7th National Assembly on behalf of the Council of Ministers]

[Text]

Part II

Dear National Assembly deputies, we enter 1987 while our economy is still rife with many outstanding problems and the socioeconomic situation has not been stabilized. However, we have some major favorable conditions, especially as the sixth party congress has determined the guidelines and objectives for socioeconomic development in the next 5 years. The year 1987 is the second year of the 5-year 1986-90 plan and the year immediately following the sixth party congress. The 1987 plan must clearly manifest a renovation and change of direction in accordance with the party congress resolution and focus on the implementation of the three major economic programs of grain and food products, consumer goods, and export goods. Not only must we create a new step of development in all production fields, but also, most importantly, we must overcome gradually the complicated situation on the distribution and circulation battlefield.

It is mainly by performing well the aforementioned tasks that we can create conditions for stabilizing gradually the socioeconomic situation, successfully implementing the main objectives of socioeconomic development in the 5-year 1986-90 period, and preparing for further steps of development in the subsequent years.

Following are the main tasks, targets, and measures of the various socioeconomic sectors in 1987:

1. Concerning the Three Major Economic Programs [subhead]

a. Grain and food products: In grain production, we must thoroughly understand the new spirit of the party congress resolution, bring into play the appropriate policies, develop all potentials in terms of labor and land in each locality, and create a new step of change in the production of grain, including rice, subsidiary food crops, and all farinaceous plants. The main guideline is to vigorously step up intensive cultivation and multicropping.

It is estimated that the area under grain cultivation in 1987 will be up to approximately 7 million hectares, an increase of 2.8 percent over that of 1986. Of this increase, the area of subsidiary food crops alone will increase by 5.9 percent. The estimated volume of grain production in the plan is 19.2 million metric tons. However, all means must be sought to achieve larger volume.

Along with rice, we must emphatically develop the area of subsidiary food crops, especially such potential crops as corn to be increased to 430,000 hectares with 680,000 metric tons in production volume, an increase of 19.5 percent over that of 1986; potato to be increased to 45,000 hectares with 450,000 metric tons in production volume, an increase of 49.5 percent. At the same time, we must vigorously develop the area of farinaceous plants suitable to each locality such as cassava, sweet potato, polygonum, and so on.

What is of special importance is that we must promulgate a system of incentive policies to stimulate production; ensure the interests of those who grow subsidiary food crops; organize well the collection, purchase, processing, and transportation of crops; and provide guidance for changing the composition of meals suitable to the conditions of grain production in each locality. State agencies and Army units must first introduce subsidiary food crops into their daily meals.

Measures and balances are mainly as follows:

-- Increase the percentage of capital directly invested in agriculture from 24.5 percent in 1986 to 28.5 percent in 1987. Investment in grain production alone should account for 50 percent or more of the total investment in agriculture.

-- Emphasize investment in water conservancy. Concentrate first of all on the 50 above-norm projects under construction so that 20 of them will be completed and used in 1987, creating a source of irrigation for 150,000 hectares, including 110,000 hectares in the Mekong River Delta, and draining and desalinizing for 110,000 hectares.

-- Continue to consolidate supporting and protective dikes, sluices, and electric pump stations in the north; launch movements for building small water conservancy projects, canals, and irrigation within ricefields in order to develop the output of existing projects to the maximum; ensure the active irrigation of 4.7 million hectares; secure enough electricity and increase the amount of oil for the control of flood and drought.

Through the adoption of various policies to promote increased production of animal manure, green manure, and duckweeds, localities must strive to provide themselves with approximately 30 percent of their requirements for fertilizer. As for chemical fertilizer, sufficient foreign currency has been planned for importing more fertilizer. This is to ensure the supply of 1.9 million metric tons of nitrogeous fertilizer for production.

We must carry out satisfactorily the task of forecasting the impact of harmful insects and blights, take integrated preventive and control measures, combine biological measures with chemical ones, and organize satisfactorily crop insurance-related technical services. We must import insecticide adequately and carry out according to plan the manufacture of insecticides in order to promptly meet demands arising from grain production.

We must organize satisfactorily the trade of cattle in order to regulate the draft force between localities and, at the same time, provide food to various cities. We must increase the mechanized draft force in key rice growing areas, especially in the Mekong River Delta and the Bac Bo Delta, in those areas where industrial and winter crops are being brought into play, and in those potentially multicropping areas.

The Ministry of Engineering and Metals and various agricultural machinery establishments must ensure the repair and the manufacture of replacement spare parts and must, at the same time, reorganize tractor stations and regulate tractor use for higher efficiency. In 1987, we must ensure the supply of 2,000 small tractors and 500 large tractors and must increase the fuel supply quota for mechanical plows. In particular, we must increase the supply of spare parts for repair activities.

We must perfect the system of crop varieties and must quickly introduce new crop varieties suitable to different ecological areas. We must organize the system of crop varieties from the central down to local and grass-roots levels and must encourage cooperatives and the people to multiply those new crop varieties on which localities have already received guidance. The provision of nitrogenous and phosphate fertilizer and materials for agriculture must be carried out according to the economic-technical standards in production and to economic contracts. Responsible supply organs must ensure planned supply activities so that relevant localities and establishments can sign contracts with peasants right from the beginning of a production season.

Based on the amount and quality of materials received, producers must turn in a corresponding quantity of marketable products without allowing intermediary organs to clip off and steal materials.

On the basis of stepping up grain production, we must carry out the procurement of grain in a truly satisfactory manner. Besides tax obligations, all economic relations between the state and cooperatives and production collectives must be carried out through economic contracts in accordance with the principles of equality and price equality and parity. Apart from using materials as a guarantee in these contracts, it is necessary to carry out buying and selling activities in accordance with truly agreed-upon prices.

In 1987, by means of collecting agricultural tax correctly and fully and carrying out purchase activities mainly through economic contracts and at agreed-upon prices, the state will mobilize 4.5 million metric tons of grain. This constitutes the bulk of the total quantity of marketable grain and represents an increase of approximately 13 percent compared with that of 1986.

Management organs must consolidate and build more warehouses, unloading sites, and storage yards and must rectify their transportation activities if they are to ensure the quality of grain and prevent damage, waste, and loss of grain. On the other hand, they must use grain economically and rationally and must rationally readjust the consumption level of those elements under state management.

Along with the grain production task, we must step up animal husbandry and the cultivation of legumes of all sorts, oleaginous plants, and fruit trees in order to better ensure the food requirements of the entire society. We must develop animal husbandry comprehensively, including the raising of buffaloes, cows, hogs, bees, and fish in all the three sectors -- family, state and collectively. Attention must be paid to resolving in a more satisfactory manner the processing of animal feed. Each locality must reserve part of its grain, especially bran and other agricultural by-products, for this purpose and must, at the same time, build a system for the supply of animal species and develop the veterinarian and technical service networks. Compared with 1986, the buffalo population is projected to increase by 4.6 percent, cattle by 6.8 percent, hogs by 6 percent, and the weight of hogs on the hoof by 9 percent.

In 1987, efforts must be made to build at all costs the food belts around various large cities and industrial complexes such as Hanoi, Ho Chi Minh City, Quang Ninh, and a number of large-scale construction sites. All state farms, forestry sites, schools, and military units must carry out animal husbandry and plant grain crops in order to help resolve part of their own requirements. The area of legumes must be increased by 17.5 percent over 1986.

As for aquatic products, we must ensure adequate fish nets, fishery tools, and repair services if we are to make full use of the capacities of our existing boats and junks. We must continue to develop a number of medium- and small-sized mechanized methods along with the use of rudimentary fishing tools. We must organize the management of fishing and processing activities and support services for the key western fishing grounds. With guidance from the central government and with cooperation from various localities in a particular area, we must step up aquatic farming, especially the raising of shrimp for export in salty and brackish water areas and must encourage fish raising in the food belts surrounding cities and industrial complexes. We must expand fish raising in ponds and lakes in the midlands and mountain regions and the raising of fish within bamboo rafts and baskets in various bodies of water or on various rivers. We must develop those marine products processing establishments catering to consumption and export. In 1987, the volume of marine products must increase by 5 percent over that in 1986 with the portion to be bought by the state increasing by 14 percent.

The grain food production must be linked with overall agricultural production.

As for short-term industrial crops, we must revise various purchase and price policies and make full use of manpower and land to bring into vigorous play all these crops -- especially those with high export value -- in various areas, state farms, and forestry sites. Attention must be paid to providing material supply, making capital investments and carrying out intensive cultivation uniformly at various centralized raw materials producing areas in order to increase output in these areas by 12.7 percent over that in 1986. We must expand peanut acreage in all areas in order to increase peanut output by 25.7 percent over that in 1986. We must concentrate on developing soybeans in those provinces having many marketable products such as Dong Nai, Cao Bang, Ha Bac, Dong Thap, and An Giang. Sugarcane output must increase by 27.7 percent and efforts must be made to provide adequate raw materials to various state-run sugar refineries while resolving sugar and molasses requirements locally in each district.

Regarding long-term industrial crops, every effort must be made to insure large-scale investment. In conditions of limited capital and materials, all establishments should make good use of various sources of capital and labor to carry out intensive cultivation and satisfactorily exploit existing plantations. We must ensure that the production of rubber will increase by 7.7 percent, coffee by 70 percent, and tea by 14 percent over 1986. The development of rubber cultivation next year will be limited. Therefore, we must consider quality and the final volume of production as the targets of our efforts. Intensive cultivation must be practiced in conjunction with the planting process. Concerning coffee, tea, black pepper, and coconut, aside from the state sector, we should promote and use the capabilities of all other economic sectors and should combine the state, collective, household, and private individual sectors to develop the cultivation of industrial plants, including short- and long-term crops.

It is important to ensure the supply of materials and consumer goods, especially grain, for industrial crop-growing areas which lack grain. The purchasing prices of industrial crop products must be readjusted to be reasonable and to guarantee a fairly high income for producers.

Concerning forestry, we must protect the existing forest assets and restore the forests which have been seriously destroyed. We must divide managerial duties and assign clearly defined responsibilities so that every forest is tended by a specific unit, that unit is assured of adequate benefits, and forest destruction is put to an end.

Forest fires often occur in a number of areas during particular months. Therefore, aside from educating the people in forest protection, we should organize a force specially in charge of forest fire prevention and control, apply a policy to commend and reward those who do a good job of protecting forests, and at the same time severely punish irresponsible people who cause forest fires and loss of national property.

Regarding those areas where forests are grown in a concentrated manner to provide raw materials for paper production and logs for use as underground mine props, we must ensure capital investment and provide forest growers with sufficient food supplies so as to achieve the target of planting 140,000 hectares of forests. We must guarantee fulfillment of the plan to grow trees to provide raw materials for the two large paper mills of Vinh Phu and Tan Mai. In addition, all localities should procure capital by themselves to grow more trees, especially cajuput, eucalyptus, and mangroves in the Mekong River Delta, and special plants such as tung tree, illicium verum, and cinnamon.

We should vigorously launch a tree-planting movement for timber and firewood among the people and in various agencies, schools, and units of the Army and public security forces and accelerate the covering of bare hills with trees.

In 1987, we should continue to settle the farming and life of 150,000 people of ethnic nationalities so that they can have a stable life and actively participate in planting and protecting forests.

Concerning timber exploitation, we should correctly follow the technical regulations and norms for 1.4 million cubic meters, resolve well the shipment of lumber in order to use up all the timber; pay attention to providing wooden pillars to coal mining shafts, raw materials to paper production, timber for construction, and wood for export; and reserve necessary amounts to meet the people's demands.

B. Consumer goods: Developing the production of consumer goods is one of the three major economic programs. In 1987, we must score a definite change to increase considerably the quantity of common consumer goods for the people, especially those products made from domestic raw materials. The value of industrial production of consumer goods should increase by 10 percent over that of 1986. Although the source of cotton and yarn is not sufficient to allow for an increase of fabrics over 1986, the plan has organized a shift of guidelines for the pattern of textile products to suit the consumption demands of the people -- especially workers of various trades and jobs -- and the weather conditions of each region.

The volume of paper production should be increased by 9 percent to meet sufficiently students' demand for paper and to supplement the demand for printing books and magazines. We should develop the manual production of various types of paper using little sodium and build small-scale installations for paper and pulp production in localities in order to further increase paper production volume.

We should increase the quantity of medicines by 10 percent, ensure the availability of common medicines for the people and, at the same time, reserve some foreign exchange for importing additional medicines to overcome gradually the shortages of antibiotics and other medicines for specialized treatment.

The output for many other consumer commodities should be increased considerably such as sugar and molasses to 31 percent, processed tea to 13 percent, export vegetables and fruits to 17 percent, soap and detergent powder to 63 percent, bicycles to 38 percent, bicycle spare parts to 60 percent, electric fans to 93 percent, and watches to 2.2 times more.

We should further develop installations which produce refreshments and fruit juices, process subsidiary food crops, manufacture typical consumer goods such as wooden items, rattan items, hats, shoes, and so forth to meet the people's needs.

To fulfill the abovementioned objectives, it is imperative that we should resolve well the problems of raw and other materials. We must concentrate investment in the areas of raw materials and agricultural products -- not only the state-owned domains but also cooperatives and families of cooperative members -- through the various enterprises which process agricultural products. We should secure enough fertilizer and provide sufficient grain to those who grow industrial plants. Moreover, we must secure the fulfillment of plans for importing specified raw materials.

In the procurement of supplies and raw materials, first of all we must give priority to the production of key products and to state-operated establishments to raise the level of mobilization of machine and equipment capacity from the current rate of 40-50 percent to more than 70 percent by 1987, or higher in some industries such as cotton and silk, to 87.5 percent; tea and tobacco, to 83 percent; and beer, to 77 percent.

The localities must pay special attention to developing small industry and handicrafts. On the basis of rearranging their production establishments and relying on the fullest use of discards and rejects of various state-run factories and on-the-spot sources of raw materials, they must strongly develop their existing consumer goods production capacity, especially in Ho Chi Minh City and Hanoi. The state will set aside some supplies and raw materials, especially energy, for this purpose, and will apply various incentive policies such as readjusting the prices of goods produced under contract, providing food, and so forth.

C. Export goods: This is a major economic program of decisive significance in the implementation of other socioeconomic programs and tasks. In 1987 the export value is expected to increase by 16.5 percent over 1986. The main commodities for export are farm produce, processed agricultural products, and products of light and small industries and handicrafts which are aimed first of all at fulfilling international obligations already incurred.

To achieve the export targets, we must apply a number of measures as follows:

A. We must make uniform investments and ensure the funds of supplies necessary for production; pay attention to concentrated production areas and main products, especially those products required by our commitments to other countries; provide adequate incentives and ensure the profits of people and units directly engaged in the production of export goods so that they may carry out expanded reproduction and enjoy stable living conditions; implement a policy of granting adequate rewards for product quality and for fulfillment or overfulfillment of assigned plans; set aside a necessary amount of foreign exchange to support export goods; and encourage absolute saving in the consumption of goods that can be exported.

B. Concerning the provision of materials for production and the purchase of export goods from various sectors and localities operating in accordance with the economic and technical norms set by the state, if the value of the goods delivered for export exceeds that of the materials and equipment supplied by the state, these sectors and localities will be paid according to the purchasing prices agreed upon by both sides.

In addition, they will be entitled to a bonus for fulfilling or overfulfilling the quotas of goods delivered for export. In particular, higher purchasing prices may be applied as warranted by quality of products in order to encourage the production of export goods of high quality. On the basis of its control of the necessary foreign exchange, the state will ensure sufficient supplies of materials for the production of key products and will not allow various sectors to keep a portion of their products for sale to obtain foreign exchange and to pay for the imports they need themselves as they have done in the past.

C. Regarding markets outside the socialist community, we must rearrange various import-export organizations on the basis of integrating important links to avoid competition in purchasing commodities at home and in selling products abroad. However, we must ensure the interests of the parties concerned and oppose bureaucratism. The state and central government must take appropriate and firm measures to control the source of foreign currencies to pay for essential requirements of the nation, particularly for the three main economic programs. In 1987, it is imperative that we take the following measures:

-- Procure for the state and central export granaries about 70 percent of important export products such as tea, coffee, peanuts, pepper, aquilaria agallocha, cashew nuts, coconut oil, cinnamon, and so forth. Localities can themselves export the remaining 30 percent of these products without having to pay premiums to the central government.

-- Concerning marine products, we must set aside 50 percent of our foreign currencies for the marine product sector to import sufficient materials and essential machinery for production purposes. The state will use the remaining foreign currencies to serve general requirements.

Only through these measures can the state fulfill its obligations towards socialist countries and reserve foreign currencies to pay debts and import fertilizers and insecticides for the agricultural sector as well as the badly needed materials for the production of consumer goods. Localities should strive to engage in export and pay premiums to the central government from 20 to 30 percent of their export values for products except those mentioned above. In collecting foreign currencies from export goods production units, the central government not only has to ensure sufficient materials for the production and expansion of export goods, but must also refund to them an appropriate sum of Vietnamese money to ensure that they make proper profit. The Ministry of Foreign Trade is responsible for providing localities and grass-roots unit with information regarding markets, prices, and clients' tastes. Various sectors and localities must formulate import-export plans to submit to the state for review. The Ministry of Foreign Trade will issue import-export permits to them in accordance with the plans approved by the state.

Engaging in production of export goods is a form of accelerating exports, an area in which we have great potential. In 1987 we must urgently produce export goods under contract with the Soviet Union and other countries. Central sectors must guide localities, especially production units of Ho Chi Minh City, Hanoi capital, and Haiphong Municipality, to engage in export goods production by optimally exploiting available factories and establishments, while providing them with partial funds and essential materials given by the state.

In 1987 we must also actively engage in service activities to gain more foreign exchange such as promoting tourism, encouraging Vietnamese living abroad to send money home, and providing services for cargo ships, aviation business, postal work, and so forth.

We must eliminate red tape in issuing visas, create favorable conditions for foreign guests to visit and tour our country, and improve and enhance the quality of services for foreign guests during their stay and travel in Vietnam. Regarding Vietnamese living abroad who want to send money home, we must urgently formulate policies to encourage them by not limiting the amounts of money they want to send or when they want to send it. We must readjust and set a rational foreign exchange rate and clearly specify a list of goods to send home, especially materials for consumer goods production.

ASSEMBLY RESOLUTION HAILS SOVIET PEACE MOVES

OW301203 Hanoi VNA in English 0750 GMT 30 Dec 86

[Text] Hanoi VNA Dec 29 -- At its closing session here today, the Vietnamese National Assembly (7th legislature) unanimously adopted a statement welcoming the call of November 19, 1986 by the Supreme Soviet of the USSR to all parliaments and nations throughout the world for firm measures to be taken to build up a world free from nuclear weapons and ensure an equally stable security for all states and nations.

The statement says: "Nowadays, mankind is facing the turning point of a choice relating to issues of the global character. Never before has the danger of a nuclear war caused by U.S. imperialism been so great as it is today. The only choice of mankind is to defend the life on the earth and launch emulation movements in economic construction and in building a life style in the conditions of peaceful co-existence and the development of broad international cooperation. The call for peace of the Supreme Soviet of the USSR has spelt out the ardent aspiration of all nations and the high sense of responsibility in the struggle for mankind's destiny. Therefore it has received vigorous support from all peoples the world over.

"Contrary to the Soviet Union's practical and noble moves full of goodwill, the U.S. is still bent on its outmoded policy by seeking to obtain military supremacy over the Soviet Union, accelerating the arms race, militarizing outer space, and continuing its nuclear tests. It is trying to avoid what have been agreed upon at the Soviet-U.S. summit in Reykjavik relating to the possibility for total abolition of nuclear weapons. Of late, the U.S. has declared its unilateral withdrawal from SALT II. Such moves of the United States have constituted a serious challenge to the world peace and international security.

The Vietnamese National Assembly and people welcome the imperative call of the Supreme Soviet of the USSR to all parliaments and peoples in the world and fully support the Soviet Union's peace initiatives, particularly the New Delhi Declaration of historical importance signed recently between the Soviet Union and India on the principles of a world free from nuclear weapons and non-use of violence in international relations.

By pursuing the foreign policy of peace and friendship as stipulated in the Constitution of the Socialist Republic of Vietnam and reaffirmed at the 6th Congress of the Communist Party of Vietnam, the National Assembly and entire people of Vietnam pledge to join the parliaments and peoples of the socialist countries and all other nations over the world in the common struggle to build a world free from nuclear weapons, and ever-lasting peace and stable security for all states and all nations.

NEW ZEALANDLANGE: AUSTRALIA NO DEFENSE SUBSTITUTE FOR U.S.

HK200134 Wellington THE EVENING POST in English 12 Dec 86 p 2

[Text] (NEW ZEALAND PRESS ASSOCIATION) -- New Zealand had never regarded Australia as a defence substitute for the United States, Prime Minister David Lange said yesterday.

"Such a position is quite alarmingly bizarre," he said.

On Wednesday Australian Foreign Affairs Minister Bill Hayden said Australia could not realistically be expected to provide a substitute for the United States as a security partner for New Zealand. Australia was extremely limited as to what it could provide as against what the U.S. could contribute, Mr Hayden said on his arrival in Wellington for a four-day visit. He also said New Zealand would have to spend substantially more on defence if it wanted a stronger bilateral defence arrangement with Australia.

Yesterday, after several hours of bilateral talks, Mr Lange said: "There was never any question on the part of New Zealand of regarding Australia as a substitute for the United States.

"It is a totally different scale of country with a totally different defence structure and it was never in the mind of this government to swap Australia in the stead of the United States."

The transtasman alliance could not be substituted for the now-withdrawn United States' defence guarantee because, despite claims from Washington, that guarantee never existed under Anzus.

He agreed with Mr Hayden's comments that the defence relationship between the two countries had gone about as far as it could and cited budgetary constraints.

The two countries had established principles of goodwill, common interest and commitment.

"You can't actually have something that is stronger than that."

Asked at a press conference if he saw any hope of a trilateral relationship being formed again, Mr Hayden said the New Zealand government had made it clear it was firmly committed to its non-nuclear policy.

Such a policy, which was supported by the majority of New Zealanders, prevented a trilateral relationship being established, he said. Also on the agenda at yesterday's talks was the Australian Government's bounties system, which New Zealand believes is against the spirit of the Closer Economic Relations Agreement.

Mr Hayden on Wednesday indicated there were some grumbles in Australia about the agreement. He warned that problems should be handled in such a way as to not aggravate those "who feel they have got a very raw deal..."

But today he denied the Australians had "cold-shouldered" New Zealand concerns.

MOKHTAR RULES OUT U.S. BASES IN COUNTRY

BK250836 Jakarta THE INDONESIA TIMES in English 20 Dec 86 p 1

[Excerpt] Foreign Minister Mokhtar Kusumaatmaja stressed that Indonesia will never allow any part of its territory to be used as a military base for any foreign nation, but one should differentiate the desire for a base and the "right of transit passage through the Straits of Lombok and the Straits of Makassar." Not only the United States but all other big countries which own nuclear submarines look forward for this type of rights of passage, and that's just fair and understandable.

Mokhtar made these remarks replying to questions from newsmen on the comments of Ruslan Abdulgani [a former foreign minister] in a panel discussion here recently that the United States was 'eyeing' on Moluccas and the region nearing the Straits of Lombok as prospective replacement of the U.S. base in Subic Bay, Philippines. According to Ruslan Abdulgani, the new Philippine constitution will not tolerate nuclear weapons or bases on its territory. Thus, the United States, "is badly looking for a replacement," he was quoted as saying by MERDEKA daily.

Mokhtar reiterated that the right of free passage had been allowed by Indonesia in certain sections of the Law of the Sea Convention. That was given as condition for others to recognize Indonesia's rights in the main part of the convention which emphasized the Archipelagic Concept ("Wawasan Nusantara", Ed.). "We gave the right of transit with certain condition. The United States showed special attention, and therefore had not ratified it. It likes to have some 'conditions or facilities' as had been expounded. This is just fair, but you should not connect it with the desire of having bases here. Rest assured we will never consent to such a request "if they were ever to come," he said smilingly. [passage omitted]

SUHARTO WELCOMES OUTCOME OF OPEC MEETING

BK230932 Jakarta Domestic Service in Indonesian 0700 GMT 23 Dec 86

[Text] President Suharto has welcomed the outcome of the OPEC ministerial meeting in Geneva and expressed his hope that the decisions reached at the meeting will be properly implemented. The president made the remarks in Jakarta yesterday when he met with Mining and Energy Minister Subroto who reported on the outcome of the Geneva meeting. At the OPEC meeting, it was agreed that the world oil price be fixed at \$18 per barrel and that the overall OPEC production ceiling be reduced from about 16.6 million to 15.8 million barrels per day for the 1st and 2d quarters of 1987. Before the OPEC meeting, the world oil price ranged from \$12 to \$13 per barrel.

Mining and Energy Minister Subroto noted that the meeting had set Indonesia's oil production quota at 1,133,000 barrels per day for the 1st quarter of 1987, while current production quota stands at 1,193,000 barrels per day. Mining and Energy Minister Subroto, however, declined to voice his views on the impact of the new OPEC oil price to the 1987-88 draft state budget. In this connection, the minister said we have to wait for the president's budget speech to the parliament, scheduled for 6 January 1987. However, Hamzah Haz, vice chairman of the parliament's budget committee, said yesterday that the outcome of the Geneva meeting had given Indonesia two alternatives in determining the projected state revenues and expenditures during the 1987-88 fiscal year. He added that the new OPEC price is realistic enough in view of the current oil demand. The government could use either the new OPEC price at \$18 or the old but more realistic price at \$14 to prepare its 1987-88 state budget.

RAMOS DENIES U.S. COUNTERINSURGENCY INVOLVEMENT

HK301417 Quezon City BUSINESS DAY in English 30 Dec 86 p 16

[Text] Gen. Fidel V.-Ramos, Armed Forces chief of staff, yesterday accused the National Democratic Front (NDF) of using the guarantees of the current democratic freedom to discredit the Armed Forces and undermine the duly constituted government of the Filipino people.

Ramos was reacting to a recent statement by NDF international representative Luis Jalandoni, a former priest and concurrent chairman of the CPP's [Communist Party of the Philippines] international commission.

Jalandoni earlier said that the 250,000-strong Philippine military "stands to receive increased U.S. aid as part of American military strategy for the Philippines." Jalandoni was quoted as also saying that this U.S. strategy "calls for the promotion of a civil war by inciting the civil population to fight an all-out counter-insurgency war that could isolate and eventually crush the rebel forces."

Ramos noted that Jalandoni's pronouncements regarding U.S. intervention in the Philippine counter-insurgency campaign is an attempt at giving credibility to the rebels' propaganda line on U.S. imperialism.

Ramos reiterated that there are no U.S. forces nor U.S. personnel involved in the Philippine government's counter-insurgency efforts against the CPP/NPA/NDF and the Moro National Liberation Front (MNLF).

Ramos said the Armed Forces does not advocate a military solution to the insurgency problem which he noted "is largely a political and socio-economic one."

Ramos said he has always stressed a comprehensive approach to the insurgency problem "by harmonizing the political, economic, and social efforts of government towards the resolution of the problem at the grass-roots level to insure good government and the delivery of the basic needs of the people."

The chief of staff described NDF speculations on increased U.S. efforts to sabotage the ongoing peace negotiations as "not only baseless but also totally inaccurate."

Specifically, talks of U.S. special operations forces and (Central Intelligence Agency) CIA-related activities are nothing "but NDF propaganda to suit its objectives."

"Our government has not received the official word from the United States authorities regarding the actual amount of what the Philippines can expect from the U.S. for fiscal year 1987," Ramos pointed out.

He admitted though, that the Armed Forces is expecting military assistance of some \$100 million for 1987 as part of the U.S. obligation under the five-year base compensation package for the use of the Subic and Clark military bases.

Ramos also took to task Jalandoni's disclosure about the support the NDF is allegedly receiving from some European parliament members and the desire of some Japanese lawyers, academicians and peace activists to volunteer as members of an international peace monitoring body on the current ceasefire.

"Mr. Jalandoni's disclosure only proves the NDF's efforts at calling attention to itself to gain a status of belligerency," Ramos observed.

"This runs counter to the provision to the memorandum of agreement on safety and immunity guarantees which specifically provide that "any provisions thereof, shall not invest the NDF with the status of belligerency under the laws of war," he added.

Meanwhile, Ramos also disclosed over the weekend that the Partido ng Bayan (PNB) [People's Party], is only one of the two movements included in the local communist party's tactical program for June 1986 to May 1987. The other movement is the National Democratic Movement (NDM).

Citing recently declassified documents captured from rebels, Ramos said the two movements aim to form a broad front composed of left-leaning elements and sympathizers who will be used to support the so-called "national democratic revolution."

Speaking during an alumni homecoming rites in Pangasinan, Lingayen, the chief of staff disclosed that although the PNB intends to participate in the forthcoming elections, "winning candidates will not be the real objective."

"The real objective of the CPP is to take advantage of the elections to organize masses as a broad and consolidated CPP base," he said.

"For this, the PNB is already prepared for the elections next year since it has already formed its National Election Campaign Commission (NECC) to coordinate regional, provincial and town campaign strategies and timetables."

Ramos noted that the 1987 election is foreseen by the CPP as a "good opportunity to work out and strengthen unity among progressive and pro-CPP forces, particularly in the grassroots level."

The documents revealed that eventually the CPP hopes to forge alliances with bigger and more established political parties which would serve as a step towards the establishment of a coalition government, he added.

CPP CRITICIZES GOVERNMENT PEACE PROGRAM

HK291545 Quezon City ANG PAHAYAGANG MALAYA in English 26 Dec 86 pp 1, 16

[Text] Communist leaders yesterday branded the four-point program for peace presented by the government to the rebel panel as "narrow, reformist and counter-revolutionary" and said it fails to resolve the root cause of the country's problems.

The outlawed Communist Party of the Philippines [CPP], celebrating its 18th anniversary today, also said the agenda for peace presented by the National Democratic Front [NDF] is "premised on the elimination of the root cause of the political, economic and social problems in the country as the basis for lasting peace."

In the December issue of ANG BAYAN (THE NATION), the official organ of the CPP central committee, the party said the government agenda "leaves unchallenged the continued rule of U.S. imperialism, the big comprador bourgeoisie, and big landlord class."

The government panel, composed of Teofisto Guingona of the Commission on Audit, Jaime Guerrero, and Ma. Serena Diokno representing her sick father, ex-Sen. Jose W. Diokno, presented last Tuesday to the NDF panel its proposal for the substantive stage of the peace talks.

The government agenda includes a quick economic recovery program, a social amelioration program, socio-economic reforms within the context of the proposed Charter and general amnesty "with honor for rebels."

The NDF proposed the complete dismantling of "fascist structures of the deposed Marcos regime, promotion of people's livelihood and welfare, assertion of national dignity and sovereignty and concrete measures for lasting peace.

The CPP, represented in the talks by the NDF, said the Aquino government continues the program of the former regime as prescribed by the International Monetary Fund to stabilize itself.

It said that the proposed Charter, expected to be approved by the people on Feb. 2, "reinstates the same old fetters to the achievement of national liberation and democracy."

Moreover, the CPP said, the government's agenda "puts in sharp relief the Aquino government's position on the revolutionary forces as the barrier to the implementation of its programs and stated in no uncertain terms its policy of decimating the people's armed revolutionaries through military, reformist and deceptive means."

The CPP said the complete cessation of armed conflict can only take place when the basic demands of the Filipino people for national sovereignty and democracy have been achieved.

In the political field, the NDF proposal includes the establishment of a coalition government. The government, however, ruled out a coalition with the communists.

The NDF agenda for economic change proposes the legislation and implementation of a genuine and comprehensive land reform program.

The NDF also proposes the reorientation and reorganization of the Armed Forces of the Philippines as well as the reduction of military forces and expenditures in accordance with actual needs of internal security and national self-defense.

Guingona earlier said the military, after the February revolution, is truly nationalistic.

The CPP said that despite strains in the implementation of the ceasefire agreement, the substantive phase of the talks would continue. It said that whatever the outcome, these dialogs and negotiations are expected to have major implications for the course of action which the party will eventually pursue.

NEGOTIATORS CONCERNED OVER 'POLARIZATION'

HK301527 Manila MANILA BULLETIN in English 30 Dec 86 pp 1, 9

[By Rod L. Villa Jr]

[Text] Peace negotiators of the government and the National Democratic Front [NDF] expressed "deep concern" yesterday over the "stiffening polarization" of their respective positions on substantive issues in the amity talks.

Audit Chairman Teofisto Guingona Jr, head of the government panel, said there are serious matters, such as coalition and belligerency, on which the government cannot yield, but nowhere so far are there hints of a "foreseeable collapse" of the negotiations, he said.

Antonio Zumel of the NDF, on the other hand, said a closer scrutiny of the government stand and recent pronouncements by government officials are "making the prospect of conciliation dimmer and dimmer."

Bishop Antonio Fortich, speaking in Bacolod City, said "there is so much to hope for peace, with the advent of the New Year, to assure at least a prolonged ceasefire to allow the two panels to widen their areas of agreement."

Fortich, reporting to the National Ceasefire Committee [NCC] secretariat in Quezon City, said he has invited Francisco Pascual of the NDF and Irene Cortes to join him in inquiring into supposed ceasefire violations blamed by the military on the NDF in Davao, Cotabato, and other areas of Mindanao.

Wires received at the NCC showed no fresh outbreak of violence in the field.

Guingona called on Zumel, Satur Ocampo, and Carolina Malay Ocampo, to "seriously consider" the varied programs of government to attain their mutual goal of solving poverty, insurgency, and related problems which they traced to the economic crisis and the prevailing social and governmental structure.

He cited a program, backed by a P3.9-billion fund, to provide nearly two million jobs and community services which the government aims to complete by the end of 1987.

But Zumel said the state programs are "mere pallatives directed not at solving the basic problems but at liquidating the revolutionary movement."

He said the government must direct its attention to the "real fundamental problems" which, he said, demand the removal of American dominance over the political, social, and economic affairs of the nation.

Zumel rejected the government position that land reform, industrialization, rural credit, protection and uplift of the workers, among others, are attainable within the context of the 1986 constitution.

"The NDF rejects the proposed constitution, first, because it was drafted by presidential appointees, the overwhelming majority of whom represent the entrenched and colonial rich," he said.

It is obvious, he added, that sections scattered all over the draft constitution could only work to strengthen the power of the established elite, to the exclusion of the masses of the poor and the working class.

On the other hand, Guingona urged Zumel and his colleagues to "discard classic communist views, and accommodate the attainment of these programs through a stable and constitutional government."

"These are attainable if the rebel leaders take up the challenge of innovation and creativity characteristics of the values and the intrinsic virtues of the race," Guingona said.

GOVERNMENT SCRAPS PLAN TO BUY REBEL ARMS

HK301406 Manila THE MANILA CHRONICLE in English 30 Dec 86 p 2

[Text] The Government has scrapped its plan to offer cash payments to communist rebels who surrender their weapons. Instead it is studying the possibility of allowing former guerrillas to use their weapons as collateral for loans.

Deputy Press Secretary Benedicto David told reporters in a briefing that the buy-back scheme was "impractical."

Earlier, military officials said many of the weapons now in the hands of the communist New People's Army were stolen from the Government in the first place in raids on police stations and army barracks.

David also announced that P20 million has been released as seed money for the processing of rebel returnees under the Government's National Reconciliation and Development Program (NRDP).

David explained that "processing" of returning rebels includes documentation, providing them transportation, medical care, job assistance and tuition for those who would like to return to school.

David said Government officials met yesterday to finalize its organizational set-up.

Present were Economic Planning Minister Solita Monsod, Defense Minister Rafael Ilete, Local Government Minister Jaime Ferrer, Deputy Executive Secretary for Human Settlements Herminio Aquino and representatives of various government agencies.

Under the NRDP, the Government aims to develop the countryside and create jobs for both rebels and non-rebels, David said.

For 1987, he said the Government hopes that 5,000 armed members of the communist New People's Army (NPA) would surrender, aside from the 13,000 returnees recorded this year.

Meanwhile, Press Secretary Teodoro Benigno rules out a possible reduction in the "yes" votes for the draft Constitution, despite its rejection by the militant Kilusang Mayo Uno and Marcos loyalists.

Even if the Partido ng Bayan, the alliance of cause oriented groups identified with the Left joined the "no" campaign, Benigno estimated that 60 to 65 percent would support the draft Charter.

He said this "desireable threshold" of approval for the Constitution is also the prediction of other Government officials.

Starting Jan. 3, President Aquino will start actively campaigning for the Charter in Legazpi City and Naga City.

Every weekend thereafter she will visit other towns and cities in the various regions.

Benigno explained that the President's policy has "always been for unity and reconciliation" and this is the reason why she will campaign vigorously for the Charter.

He said that based on what is perceived to be the "philosophy of Filipino voters," the Feb 2 plebiscite "would be reducible to the question of whether voters were for or against Mrs Aquino. [no closing quotes as published]

Many people would not be voting for the Constitution in terms of its intrinsic merit and its provisions. They would equate the Constitution with Cory and Cory with the Constitution," he said. [no opening quotes as published]

AQUINO ACTS TO RESOLVE BASILAN POLITICAL FEUD

HK301531 Manila THE MANILA CHRONICLE in English 30 Dec 86 pp 1, 6

[By staff members Raissa Espinosa and Malou Mangahas]

[Excerpt] President Aquino moved yesterday to resolve the worsening political feud in Basilan which has left five dead and over 400 families homeless.

Aquino met yesterday with her political adviser, Minister Aquilino Pimentel Jr, and military adviser, retiring Maj Gen Jose Magno as well as with Muslim Affairs Minister Candu Muarip to study the conflict.

"The President would not want a further deterioration" of the situation in Basilan, Pimentel said. "The situation is very bad" and definite solutions would have to be made, he added.

Aquino is scheduled to meet today with Muarip and Autonomous Region 9 chairman Elnorita Tugung, the two high government officials who figure prominently in the conflict. Pimentel also said Muarip's henchman Gerry Salipuddin will also meet with Aquino.

Other 'CHRONICLE' sources said Aquino has also summoned the three town mayors of Tubuan, Sumisip and Tipo-tipo who were all indentified by witnesses as reported having led over 200 armed Yakans in razing the marketplace of Isabela, Basilan to the ground.

It was in the same market-place where Tuburan Vice Mayor Ustadz Salim Askalim was murdered in early December by men suspected to be Tugung's followers. The alleged motive was to avenge the death of Tugung's husband, Ulbert Ulama, last Nov 22.

In a press conference yesterday, Tugung denied she was out for vengeance. She said she was for peace and she was not and could never be a warlord.

Both Muarip and Tugung are Aquino supporters who delivered votes for the President in the snap elections.

Basilan in fact, along with Zamboanga City, were the only areas in Region 9 (Western Mindanao) where Aquino won over incumbent President Marcos even in the Batasan count, according to election reports.

Muarip and Tugung, however, remain bitter political rivals. They ran against each other in the 1984 Batasan election where Tugung lost to Muarip, a Muslim political figure told 'CHRONICLE'.

The same Muslim leader, who asked not to be identified, noted that the conflict has been interpreted in the papers as a tribal war. The Yakans are on one side led by Muarip and on the other side are the Tausug, Sama and Christians led before by the late Ulbert Ulama Tugung and now by his widow, Elnorita.

The real issue is power, the Muslim source said. The Yakans feel they are not getting a fair share of it and they resent the other side whom they perceive as having more, he said.

"The intervention of the President would help defuse the situation. Aquino can try to negotiate compromises between the two factions," he also said. [passage omitted]

NORTHERN MINDANAO CEASE-FIRE COMMITTEE SET UP

HK241305 Manila THE MANILA CHRONICLE in English 24 Dec 86 p 2

[By staff member Abe Cerojano]

[Text] The first regional ceasefire committee in Mindanao has been formed in Northern Mindanao.

Reports reaching Camp Crame yesterday said top commanders of the Armed Forces and communist rebels have agreed on who should compose the truce watchdog in the region, which includes Misamis Oriental, Misamis Occidental and Bukidnon.

A five-hour dialogue, arranged by Government, church, and civic leaders in the region, was held at the Tunggulah Elementary School in Misamis Oriental.

Thousands of town residents watched the dialogue, the reports said.

The ceasefire committee which is basically similar to the one formed last week in Albay has a sub-committee to cover each of the three provinces.

The Central ceasefire committee would be based in Tunggulah, Misamis Oriental, the reports said.

The Government panels, represented by Misamis Oriental acting Governor Vicente Emano and Regional Unified Command 10 chief, Brig Gen Mariano Adalem, and their rebel counterparts led by Alfredo Mapano, alias "Kumander Paris," and Leonico Nabo alias "Kumander Charo," had agreed to abide by the ceasefire agreement.

They also agreed that Monsignor Patrick Cromin of Tunggulahan Parish Church be the chairman of the Central Regional Ceasefire Committee, with Adalem and Mapano as co-vice chairmen.

The reporter said the two sides argued on a few points but which easily resolved.

One was about the carrying of firearms by the rebels. In the report, the panels agreed to let few security men of the rebel representatives in the committees to carry guns. The rebel group had promised to punish those unauthorized members displaying guns at public places.

Before the 60-day preliminary ceasefire took effect Dec 10, Northern Mindanao's hilly towns had become battle scenes between the soldiers and the rebels.

There were at least four reported clashes in Bukidnon a week after the ceasefire took effect but no casualty was reported.

NEW SOUTHERN LUZON COMMAND ORGANIZED

HK241329 Manila THE MANILA CHRONICLE in English 24 Dec 86 p 2

[Text] Armed Forces Chief of Staff Gen Fidel V. Ramos announced yesterday the creation of a new military command that will put all of 16 provinces of Southern Luzon under one network.

The new command, Southern Luzon Command (Soluzcom), will start operating Jan 1.

Southern Luzon is composed of the provinces of Quezon, Aurora, Rizal, Cavite, Laguna, Batangas, Marinduque, Mindoro Occidental, Mindoro Oriental and Romblon in Region 4; and Camarines Norte, Camarines Sur, Albay, Sorsogon, Masbate, and Catanduanes in Region 5.

Each region falls under the jurisdiction of a Regional Unified Command [RUC], a military and police umbrella, that directly takes command from the AFP [Armed Forces of the Philippines] general headquarters.

Under the new set-up, RUC 4 and RUC 5 will fall under direct supervision of Soluzcom. This will allow the sharing of resources and troops of the two RUCs; provide a built-in coordinating system and greater focus on the common security problems of the two regions.

The military considers Region 4, especially Quezon and Aurora, and Region 5 which comprise the Bicol provinces, as top communist rebel strongholds. The two regions are connected by land by Quezon and Camarines provinces.

Ramos appointed Brig Gen Restituto Padilla, RUC 4 commander, as the commanding general of Soluzcom, while Brig Gen Eduardo Taduran, RUC 5 commander, as deputy commanding general. The two officers will concurrently serve their RUC positions.

Soluzcom is only the third command to be created since Ramos started reorganizing the military following the February revolution.

The other commands are Western Command (Wescom), and Southern Command (Southcom), which cover Western Visayas and the whole of Mindanao, respectively.

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